

To : Managing Director
The Stock Exchange of Thailand

Date : November 14, 2022

Re : Management Discussion and Analysis for the period ended September 30, 2022

The Board of Directors is pleased to announce the Company's results of operation for the period ended September 30, 2022 as follows: -

Net profit / (loss) after corporate income tax for the three-month period ended September 30, 2022 and 2021:

(Baht in million)	<u>2022</u>	<u>2021</u>	<u>Change</u>
The Company	9.01	(126.91)	107.10 %
Consolidated	60.43	(114.04)	153.00 %

The Company:

The Company's loss before corporate income tax benefits for the three-month period ended September 30, 2022 decreased by Baht 135.92 million against the corresponding period of last year. The decrease in the Company's loss was mainly attributed to the decrease in loss before income tax benefits of Shangri-La Hotel, Bangkok ("SLBK") by Baht 106.11 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 29.81 million.

Revenues from hotel operations of SLBK increased by Baht 217.72 million from Baht 60.36 million to Baht 278.08 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue resulting from cancellation of Thailand Pass requirements for all travelers in July 2022. Gross Profit before expenses increased by Baht 161.77 million. Selling and administrative expenses increased by Baht 11.86 million and Baht 36.43 million, respectively. Depreciation expense decreased by Baht 5.22 million against last year. Finance cost increased by Baht 11.21 million mainly due to weakening of Thai Baht currency against US Dollar. As a result, the loss before corporate income tax benefits decreased by Baht 106.11 million from loss of Baht 90.11 million to profit of Baht 16.00 million.

Loss before corporate income tax benefits of SLCM decreased by Baht 29.81 million as compared to 2021, mainly attributed to higher revenues from hotel operations by Baht 65.08 million from Baht 9.56 million to Baht 74.64 million as a result of higher occupancy. Gross Profit before expenses increased by Baht 50.12 million. Selling and administrative expenses increased by Baht 4.06 million and Baht 18.11 million, respectively. Depreciation expenses decreased by Baht 1.47 million against last year. As a result, the loss before corporate income tax benefits decreased by Baht 29.81 million from Baht 36.81 million to Baht 7.00 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits decreased by Baht 135.92 million from loss of Baht 126.91 million to profit of Baht 9.01 million. The Company recorded a net profit after tax benefits of Baht 9.01 million for the three-month period ended September 30, 2022 compared to Baht 126.91 million last year (decreased by 107.10%).

Consolidated:

The consolidated loss before corporate income tax benefits for three-month period ended September 30, 2022 decreased by Baht 173.31 million against last year. The decrease in consolidated loss before corporate income tax benefits was due to decrease in the Company's loss before corporate income tax benefits of Baht 135.92 million and increase in profit from subsidiaries by Baht 37.39 million. The increase in profit of subsidiaries was largely due to the increase in exchange gain from loan to a related company. As a result, the corporate income tax benefits increased by Baht 2.68 million as a result of the reversal of deferred tax expenses from sale of DMT shares. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the three-month period ended September 30, 2022 decreased by Baht 174.47 million against last year (decreased by 153.00%).

Net profit / (loss) after corporate income tax for the nine-month period ended September 30, 2022 and 2021:

(Baht in million)	<u>2022</u>	<u>2021</u>	<u>Change</u>
The Company	(155.48)	(356.64)	56.40%
Consolidated	(69.05)	(311.48)	77.83%

The Company:

The Company's loss before corporate income tax benefits for the nine-month period ended September 30, 2022 decreased by Baht 227.89 million against the corresponding period of last year. The decrease in the Company's loss was mainly attributed to the decrease in loss before income tax benefits of Shangri-La Hotel, Bangkok ("SLBK") by Baht 186.56 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 41.33 million.

Revenues from hotel operations of SLBK increased by Baht 364.68 million from Baht 159.03 million to Baht 523.71 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue resulting from higher occupancy and catering revenue due to restrictions were gradually relaxed and increase in overseas demand. Gross Profit before expenses increased by Baht 278.18 million. Selling and administrative expenses increased by Baht 22.66 million and Baht 74.15 million, respectively. Depreciation expense decreased by Baht 16.45 million against last year. Finance cost increased by Baht 10.02 million mainly due to increase in unrealized exchange loss US Dollar loan compared to 2021. As a result, the loss before corporate income tax benefits decreased by Baht 186.56 million from Baht 271.04 million to Baht 84.48 million.

Loss before corporate income tax benefits of SLCM decreased by Baht 41.33 million as compared to 2021, mainly attributed to higher revenues from hotel operations by Baht 96.21 million from Baht 37.50 million to Baht 133.71 million as a result of higher room occupancy and average room rates in 2022 due to relaxation of Thailand travel restrictions and government stimulus program to drive domestic demand. Gross Profit before expenses increased by Baht 74.82 million. Selling and administrative expenses increased by Baht 7.12 million and Baht 31.52 million, respectively. Depreciation expenses decreased by Baht 4.59 million against last year. As a result, the loss before corporate income tax benefits decreased by Baht 41.33 million from Baht 112.33 million to Baht 71.00 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits decreased by Baht 227.89 million from Baht 383.37 million to Baht 155.48 million. The corporate income tax benefits decreased by Baht 26.73 million as compared to 2021 due to lower loss before income tax in 2022. The Company recorded a net loss after tax benefits of Baht 155.48 million for the nine-month period ended September 30, 2022 compared to loss of Baht 356.64 million last year (decreased by 56.40%).

Consolidated:

The consolidated loss before corporate income tax benefits for the nine-month period ended September 30, 2022 decreased by Baht 268.41 million against last year. The decrease in consolidated loss before corporate income tax benefits was due to decrease in the Company's loss before corporate income tax benefits of Baht 227.89 million and increase in profit from subsidiaries by Baht 40.52 million. The increase in profit of subsidiaries was largely due to the increase in exchange gain from loan to a related company. As a result, the corporate income tax benefits decreased by Baht 28.98 million. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the nine-month period ended September 30, 2022 decreased by Baht 242.43 million against last year (decreased by 77.83%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director