

To : Managing Director
The Stock Exchange of Thailand

Date : 20 February, 2023

Re : Management Discussion and Analysis for the year ended 31 December, 2022

The Board of Directors is pleased to announce the Company's results of operation for the year ended 31 December, 2022 as follows: -

Net profit / (loss) after corporate income tax for the year ended 31 December, 2022 and 2021:

(Baht in million)	<u>2022</u>	<u>2021</u>	<u>Change</u>
The Company	25.58	(361.25)	107.08 %
Consolidated	(80.19)	(492.81)	83.73 %

The Company:

The Company's profit before corporate income tax for the year ended 31 December, 2022 increased by Baht 487.67 million against the corresponding period of last year. The increase in the Company's profit was mainly attributed to the increase in profit before income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 418.67 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 69.00 million.

Revenues from hotel operations of SLBK increased by Baht 681.91 million from Baht 257.98 million to Baht 939.89 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 Thailand pass was lifted in July 2022 and increase in overseas demand. Gross Profit before expenses increased by Baht 521.86 million. Selling and administrative expenses increased by Baht 36.44 million and Baht 130.25 million, respectively. Depreciation expense decreased by Baht 21.86 million against last year. Finance cost decreased by Baht 33.26 million mainly due to reduce of unrealized exchange loss from US Dollar loan compared to 2021 as a result from weakening of Thai Baht currency against US Dollar. As a result, the profit before corporate income tax increased by Baht 418.67 million from loss of Baht 316.63 million to profit of Baht 102.04 million.

Loss before corporate income tax of SLCM decreased by Baht 69.00 million as compared to 2021, mainly attributed to higher revenues from hotel operations by Baht 159.48 million from Baht 76.53 million to Baht 236.01 million as a result of higher 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 123.26 million. Selling and administrative expenses increased by Baht 9.66 million and Baht 51.45 million, respectively. Depreciation Expenses decreased by Baht 5.98 million against last year. As a result, the loss before corporate income tax decreased by Baht 69.00 million from Baht 137.66 million to Baht 68.66 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 487.67 million from loss of Baht 454.29 million to profit of Baht 33.38 million. The Company recorded a net profit after tax of Baht 25.58 million for the year ended 31 December, 2022 compared to loss of Baht 361.25 million last year (increased by 107.08%).

Consolidated:

The consolidated loss before corporate income tax for year ended 31 December, 2022 decreased by Baht 514.36 million against last year. The decrease in consolidated loss before corporate income tax was due to increase in the Company's profit before corporate income tax of Baht 487.67 million and increase in profit from subsidiaries by Baht 26.69 million. The increase in profit of subsidiaries was largely due to the increase in interest income from fixed deposit due to higher interest rate. As a result, the corporate income tax expenses increased by Baht 101.89 million as a result of higher profit from the Company. Overall, the consolidated net loss after tax attributable to the equity holders of the Company for the year ended 31 December, 2022 decreased by Baht 412.62 million against last year (decreased by 83.73%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director