

To : Managing Director
The Stock Exchange of Thailand

Date : 8 May, 2023

Re : Management Discussion and Analysis for the period ended 31 March, 2023

The Board of Directors is pleased to announce the Company's results of operation for the period ended 31 March, 2023 as follows: -

Net profit (loss) after corporate income tax for the period ended 31 March, 2023 and 2022:

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	188.76	(78.78)	339.60 %
Consolidated	116.07	(84.63)	237.15 %

The Company:

The Company's profit before corporate income tax for the period ended 31 March, 2023 increased by Baht 314.73 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 237.93 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 76.80 million.

Revenues from hotel operations of SLBK increased by Baht 356.65 million from Baht 97.67 million to Baht 454.32 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue due to higher occupancy from less restriction and the reopening of border from July 2022 onwards. Gross Profit before expenses increased by Baht 278.62 million. Selling and administrative expenses increased by Baht 13.15 million and Baht 39.08 million, respectively. Depreciation expense decreased by Baht 4.05 million against last year. Finance cost decreased by Baht 4.99 million mainly due to the increase in unrealized gain on revalue of loan from US Dollar loan compared to 2022. As a result, the profit before corporate income tax increased by Baht 237.93 million from loss of Baht 46.04 million to profit of Baht 191.89 million.

Profit before corporate income tax of SLCM increased by Baht 76.80 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 117.77 million from Baht 25.47 million to Baht 143.24 million as a result of higher occupancy mainly contributed from groups segment in February and the relaxation of Thailand travel restrictions. Gross Profit before expenses increased by Baht 99.14 million. Selling and administrative expenses increased by Baht 3.73 million and Baht 20.16 million, respectively. Depreciation Expenses decreased by Baht 1.28 million against last year. As a result, the profit before corporate income tax increased by Baht 76.80 million from loss of Baht 32.74 million to profit of Baht 44.06 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 314.73 million from loss of Baht 78.78 million to profit of Baht 235.95 million. The Company recorded a net profit after tax of Baht 188.76 million for the period ended 31 March, 2023 compared to loss of Baht 78.78 million last year (increased by 339.60%).

Consolidated:

The consolidated profit before corporate income tax for period ended 31 March, 2023 increased by Baht 266.06 million against last year. The increase in consolidated profit before corporate income tax was mainly due to increase in the Company's profit before corporate income tax of Baht 314.73 million while loss from subsidiaries increased by Baht 48.67 million. The increase in loss of subsidiaries was largely due to the impairment losses on financial assets and increase in exchange loss from loan to a related company. As a result, the corporate income tax expenses increased by Baht 64.19 million as a result of higher profit from the Company. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the period ended 31 March, 2023 increased by Baht 200.70 million against last year (increased by 237.15%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director