

To : Managing Director
The Stock Exchange of Thailand

Date : August 7, 2023

Re : Management Discussion and Analysis for the period ended June 30, 2023

The Board of Directors is pleased to announce the Company's results of operation for the period ended June 30, 2023 as follows: -

Net profit / (loss) after corporate income tax for the three-month period ended June 30, 2023 and 2022:

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	57.04	(85.71)	166.55 %
Consolidated	101.99	(44.86)	327.35 %

The Company:

The Company's profit before corporate income tax for the three-month period ended June 30, 2023 increased by Baht 158.10 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 132.50 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 25.60 million.

Revenues from hotel operations of SLBK increased by Baht 201.87 million from Baht 147.96 million to Baht 349.83 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue due to travel rebound from international market and increase in overseas demand. Gross Profit before expenses increased by Baht 152.97 million. Selling and administrative expenses increased by Baht 7.12 million and Baht 29.07 million, respectively. Depreciation expense decreased by Baht 2.76 million against last year. Exchange losses decreased by Baht 7.84 million. As a result, the profit before corporate income tax increased by Baht 132.50 million from loss of Baht 54.44 million to profit of Baht 78.06 million.

Loss before corporate income tax of SLCM decreased by Baht 25.60 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 46.34 million from Baht 33.60 million to Baht 79.94 million as a result of higher occupancy and catering revenue mainly contributed from groups segment in May. Gross Profit before expenses increased by Baht 37.12 million. Selling and administrative expenses increased by Baht 2.05 million and Baht 10.65 million, respectively. Depreciation Expenses decreased by Baht 1.10 million against last year. As a result, the loss before corporate income tax decreased by Baht 25.60 million from Baht 31.27 million to Baht 5.67 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 158.10 million from loss of Baht 85.71 million to profit of Baht 72.39 million. The Company recorded a net profit after tax of Baht 57.04 million for the three-month period ended June 30, 2023 compared to loss of Baht 85.71 million last year (increased by 166.55%).

Consolidated:

The consolidated profit before corporate income tax for the three-month period ended June 30, 2023 increased by Baht 157.45 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 158.10 million while profit from subsidiaries decreased by Baht 0.65 million. As a result, the corporate income tax expenses increased by Baht 11.90 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 three-month period ended June 30, 2023 increased by Baht 146.85 million against last year (increased by 327.35%).

Net profit / (loss) after corporate income tax for the six-month period ended June 30, 2023 and 2022:

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	245.79	(164.49)	249.43 %
Consolidated	218.06	(129.49)	268.40 %

The Company:

The Company's profit before corporate income tax for the six-month period ended June 30, 2023 increased by Baht 472.83 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 370.43 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 102.40 million.

Revenues from hotel operations of SLBK increased by Baht 558.52 million from Baht 245.63 million to Baht 804.15 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue due to higher occupancy from reopening of border from July 2022 onwards. Gross Profit before expenses increased by Baht 431.59 million. Selling and administrative expenses increased by Baht 20.27 million and Baht 68.14 million, respectively. Depreciation expense decreased by Baht 6.82 million against last year. Exchange losses decreased by Baht 12.83 million. As a result, the profit before corporate income tax increased by Baht 370.43 million from loss of Baht 100.49 million to profit of Baht 269.94 million.

Profit before corporate income tax of SLCM increased by Baht 102.40 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 164.12 million from Baht 59.06 million to Baht 223.18 million due to the relaxation of Thailand travel restrictions. As a result, higher revenue contributed from all segments. Gross Profit before expenses increased by Baht 136.26 million. Selling and administrative expenses increased by Baht 5.79 million and Baht 30.80 million, respectively. Depreciation Expenses decreased by Baht 2.38 million against last year. As a result, the profit before corporate income tax increased by Baht 102.40 million from loss of Baht 64.00 million to profit of Baht 38.40 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 472.83 million from loss of Baht 164.49 million to profit of Baht 308.34 million. The Company recorded a net profit after tax of Baht 245.79 million for the six-month period ended June 30, 2023 compared to loss of Baht 164.49 million last year (increased by 249.43%).

Consolidated:

The consolidated profit before corporate income tax for the six-month period ended June 30, 2023 increased by Baht 423.51 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 472.83 million while loss from subsidiaries increased by Baht 49.32 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 76.09 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 six-month period ended June 30, 2023 increased by Baht 347.55 million against last year (increased by 268.40%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director