

To : Managing Director  
The Stock Exchange of Thailand

Date : November 13, 2023

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

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

**Net profit after corporate income tax for the three-month period ended September 30, 2023 and 2022:**

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	91.61	9.01	916.76 %
Consolidated	66.15	60.43	9.47 %

**The Company:**

The Company's profit before corporate income tax for the three-month period ended September 30, 2023 increased by Baht 105.50 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 88.56 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 16.94 million.

Revenues from hotel operations of SLBK increased by Baht 114.90 million from Baht 278.08 million to Baht 392.98 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue due to normalization of business and consumer confidence returning. Gross Profit before expenses increased by Baht 72.56 million. Selling and administrative expenses increased by Baht 5.35 million and Baht 18.41 million, respectively. Depreciation expense decreased by Baht 0.57 million against last year. Exchange losses decreased by Baht 24.46 million. As a result, the profit before corporate income tax increased by Baht 88.56 million from Baht 16.01 million to Baht 104.57 million.

Profit before corporate income tax of SLCM increased by Baht 16.94 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 29.00 million from Baht 74.64 million to Baht 103.64 million as a result of higher occupancy and increased in room revenues from Group segment. Gross Profit before expenses increased by Baht 23.19 million. Selling and administrative expenses increased by Baht 1.40 million and Baht 6.16 million, respectively. Depreciation Expenses decreased by Baht 1.04 million against last year. As a result, the profit before corporate income tax increased by Baht 16.94 million from loss of Baht 7.00 million to profit of Baht 9.94 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 105.50 million from Baht 9.01 million to Baht 114.51 million. The Company recorded a net profit after tax of Baht 91.61 million for the three-month period ended September 30, 2023 compared to profit of Baht 9.01 million last year (increased by 916.76%).

**Consolidated:**

The consolidated profit before corporate income tax for the three-month period ended September 30, 2023 increased by Baht 31.70 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 105.50 million while loss from subsidiaries increased by Baht 73.80 million. The increase in loss of subsidiaries was largely due to the increase in impairment losses on loan to the associated company. As a result, the corporate income tax expenses increased by Baht 27.82 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 September 30, 2023 increased by Baht 5.72 million against last year (increased by 9.47%).

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

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	337.40	(155.48)	317.01 %
Consolidated	284.21	(69.05)	511.60 %

**The Company:**

The Company's profit before corporate income tax for the nine-month period ended September 30, 2023 increased by Baht 578.33 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 458.99 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 119.34 million.

Revenues from hotel operations of SLBK increased by Baht 673.43 million from Baht 523.71 million to Baht 1,197.14 million mainly due to the increase in room and food & beverages revenues as a result of higher occupancy from the reopening of border from July onwards 2022 and driven by Meeting groups segment and local catering. Gross Profit before expenses increased by Baht 504.15 million. Selling and administrative expenses increased by Baht 25.62 million and Baht 86.56 million, respectively. Depreciation expense decreased by Baht 7.38 million against last year. Exchange losses decreased by Baht 37.30 million. As a result, the profit before corporate income tax increased by Baht 458.99 million from loss of Baht 84.48 million to profit of Baht 374.51 million.

Profit before corporate income tax of SLCM increased by Baht 119.34 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 193.10 million from Baht 133.71 million to Baht 326.81 million due to restrictions were lifted and borders reopen. As a result, higher revenue contributed from all segments. Gross Profit before expenses increased by Baht 159.45 million. Selling and administrative expenses increased by Baht 7.18 million and Baht 36.97 million, respectively. Depreciation Expenses decreased by Baht 3.42 million against last year. As a result, the profit before corporate income tax increased by Baht 119.34 million from loss of Baht 71.00 million to profit of Baht 48.34 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 578.33 million from loss of Baht 155.48 million to profit of Baht 422.85 million. The Company recorded a net profit after tax of Baht 337.40 million for the nine-month period ended September 30, 2023 compared to loss of Baht 155.48 million last year (increased by 317.01%).

**Consolidated:**

The consolidated profit before corporate income tax for the nine-month period ended September 30, 2023 increased by Baht 455.20 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 578.33 million while loss from subsidiaries increased by Baht 123.13 million. The increase in loss of subsidiaries was largely due to the impairment losses on loan to the associated company and increase in exchange loss from loan to a related company. As a result, the corporate income tax expenses increased by Baht 103.91 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 nine-month period ended September 30, 2023 increased by Baht 353.26 million against last year (increased by 511.60%).

Yours faithfully,

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(Mrs. Pavinee Meensuk)  
Director