

To : Managing Director
The Stock Exchange of Thailand

Date : February 19, 2024

Re : Management Discussion and Analysis for the year ended December 31, 2023

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

Net profit / (loss) after corporate income tax for the year ended December 31, 2023 and 2022:

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	539.09	25.58	2,007.47 %
Consolidated	137.99	(80.19)	272.08 %

The Company:

The Company's profit before corporate income tax for the year ended December 31, 2023 increased by Baht 639.46 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 491.27 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 148.19 million.

Revenues from hotel operations of SLBK increased by Baht 756.62 million from Baht 939.89 million to Baht 1,696.51 million mainly due to the increase in room and food & beverages revenues due to higher occupancy and the normalization of business. Gross Profit before expenses increased by Baht 567.42 million. Selling and administrative expenses increased by Baht 26.09 million and Baht 103.58 million, respectively. Depreciation expense decreased by Baht 8.40 million against last year. Exchange gain increased by Baht 22.30 million mainly due to the decrease in unrealized exchange loss from US Dollar loan. As a result, the profit before corporate income tax increased by Baht 491.27 million from Baht 102.05 million to Baht 593.32 million.

Profit before corporate income tax of SLCM increased by Baht 148.19 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 224.51 million from Baht 236.01 million to Baht 460.52 million as a result of higher occupancy and average room rate in 2023. Gross Profit before expenses increased by Baht 185.00 million. Selling and administrative expenses increased by Baht 6.37 million and Baht 35.35 million, respectively. Depreciation Expenses decreased by Baht 3.34 million against last year. As a result, the profit before corporate income tax increased by Baht 148.19 million from loss of Baht 68.66 million to profit of Baht 79.53 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 639.46 million from Baht 33.38 million to Baht 672.84 million. The Company recorded a net profit after tax of Baht 539.09 million for the year ended December 31, 2023 compared to Baht 25.58 million last year (increased by 2,007.47%).

Consolidated:

The consolidated profit before corporate income tax for the year ended December 31, 2023 increased by Baht 391.71 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 639.46 million while loss from subsidiaries increased by Baht 247.76 million. The increase in loss of subsidiaries was largely due to the impairment losses on loan to the associated company. As a result, the corporate income tax expenses increased by Baht 178.30 million as a result of higher profit from the company and gains capital reduction from subsidiaries. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the year ended December 31, 2023 increased by Baht 218.18 million against last year (increased by 272.08%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director