

Thai Economy

According to the Monetary Policy Committee Meeting No. 2/2022¹, an overview of the Thai economy indicates that it has been recovering continuously and is expected to expand at 3.2% and 4.4% in 2022 and 2023, respectively, owing primarily to increased domestic demand, which is expected to gain momentum with the return of an estimated 19 million foreign tourists in 2023. A number of negative factors have had minimal effect on the Thai economy's recovery. The impact of sanctions on Russia is expected to be negligible on the overall economic recovery forecast. The direct impact on the Thai economy is limited, as Thai exports to Russia accounted for only 0.4% of total export value in 2021, and Russian tourists accounted for only 4% of all tourists in the period preceding the COVID-19 pandemic. Thailand, on the other hand, will be indirectly impacted mostly by rising energy and commodity costs, which will impact the cost of goods, cost of living, and spending power in the country, as well as a slowdown in foreign demand.

The Omicron strain of COVID-19 has had a smaller impact on economic activity than the previous wave. The public health system has coped with the current case load, so strict pandemic control measures are not expected. The government has eased entry regulations for travelers in the Test & Go, Sandbox, and alternative quarantine program by canceling requirements for a RT-PCR test 72 hours before entering the country on 1 April 2022, and adjusted the Test & Go program and Thailand Pass entrance requirements on 1 May 2022. These are the most relaxed travel restrictions implemented since the COVID-19 pandemic began, and the government is expected to soon declare COVID-19 as endemic.

Tourism Industry

The Governor of the Tourism Authority of Thailand (TAT)² announced the launch of "Thai Tourism Year 2022" and "Visit Thailand Year 2022: Amazing New Chapters" to signal the resumption of full-scale tourism by applying the "DASH" model to revitalize Thai tourism and contribute to the overall economy's recovery, with the goal of

¹ https://www.bot.or.th/Thai/MonetaryPolicy/MonetPolicyComittee/ReportMPC/Minute_N2/MPC_Minutes_22565_L4B3WH3M.pdf

² <https://mgronline.com/uptodate/detail/9650000014483>

generating total revenue of 1.28 trillion baht. The "DASH" model is composed of the following components: 1) D – Domestic Travel: The model places an emphasis on both tourists and operators in the tourism industry; 2) A – Accelerate Demand: The model seeks to stimulate qualitative demand, build trust, and a good image by focusing on tourists' safety, targeting high-income segments, and delivering impressively different and valuable experiences; 3) S – Shape Supply: The model looks set to elevate the tourism ecosystem to quality and sustainability, based on responsible tourism and digital tourism for all parties to benefit together, and resulting in sustainable income distribution to each sector; and 4) H – Healing Thai Economy: The model focuses on helping to revive the Thai economy through tourism with the country's reopening to ensure a fast recovery and strong, sustainable growth. This model will transform Visit Thailand Year 2022: Amazing New Chapters into a year of change, delivering happiness and security with Thainess and fostering a unique experience through the collaboration of all sectors to revitalize Thailand through quality tourism.

Additionally, the government has adjusted the entry requirements in Thailand for the Test & Go program, with registration starting on 1 March 2022. These include a change from the COVID-19 RT-PCR test on the fifth day of arrival to the ATK test, the cancellation of the requirement for hotel bookings for the second inspection, and a reduction in insurance coverage for all travel types from USD 50,000 to at least USD 20,000. According to the most recent information, the government has agreed to discontinue the Test & Go program for travelers visiting Thailand. Thus, travelers who meet all vaccination requirements may enter the country without undergoing RT-PCR testing upon arrival. This measure, which took effect on 1 May 2022, will attract foreign travelers by making entry into the country more convenient, thereby boosting the tourism industry.

To boost domestic tourism, the government extended the validity of the rights for the government initiatives, "We Travel Together Phase 3" and "Tour Tiew Thai," which were initially valid for travel between 15 October 2021 and 31 January 2022. The government has offered additional registration for those who have never registered for the We Travel Together Phase 4, and extended the We Travel Together Phase 3 from 31 January to 31 May 2022. Additionally, the government raised the number of rooms

in the project by 2 million and extended the period to exercise the rights of Tour Tiew Thai from 31 January to 30 April 2022.

The Russia-Ukraine conflict has resulted in a war between the two nations, which has had a negative impact on Thailand's tourism sector. According to the Tourism Authority of Thailand (TAT)³, the number of tourists in 1Q/2022 is anticipated to decline by 30% to 40% from the original target, particularly Russian tourists, who are Thailand's target market. Additionally, in addition to Russian tourists, the Russia-Ukraine conflict may damage tourism from Europe.

Retail and Commercial Industries

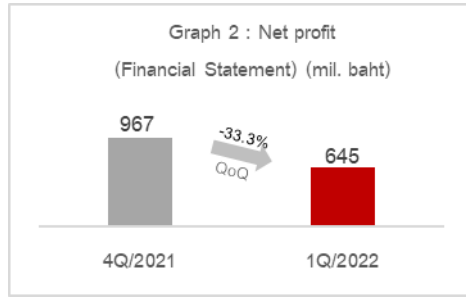
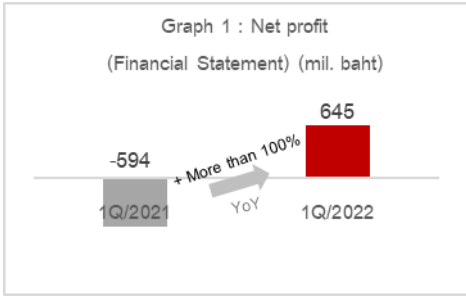
The environment created by the COVID-19 pandemic over the last two years has resulted in several changes in people's lives and shopping behaviors. People now have access to online tools, and businesses are increasingly relying on electronic commerce payment methods. However, the storefront remains important since it serves as the face for inspiring and providing a positive client experience. Retail business developers must adapt their business models to emphasize differentiation while transitioning to the digital era and embracing omni-channel marketing to support diverse customer behaviors when it comes to purchasing channels. Spending soared in 1Q/2022, when shopping centers were allowed to operate normally and there was a new year festival and a Chinese new year festival at the beginning of 2022.

For Commercial Business, the COVID-19 pandemic has had little effect on the Office Building Business in Bangkok's business center area. Grade A and grade A- office buildings continue to perform well, indicating that tenants are not considering office space as sole expenses. Although the economy has slowed, the COVID-19 pandemic is a factor that encourages higher-quality office space through aspects such as health, safety, well-being, and convenience, hence attracting and retaining talent.

Overview of Asset World Corporation (“the Company” or “AWC”)

In 1Q/2022, there was a steady recovery from late 2021 despite the COVID-19 Omicron strain being widespread. The economy suffered less damage than it did during the previous pandemic, owing to Omicron being less severe and widespread

³ <https://aec10news.com/contents/special-report/152758/>



vaccination, which resulted in increased economic activity. Additionally, the government has implemented a number of initiatives aimed at boosting tourism, including an extension of the We Travel Together program.

Regarding the Company's operating performance for 1Q/2022, the Company recorded a net profit of 645 million baht, an increase of more than 100% over the same period last year, due to higher revenue across all business units, which resulted in an increase in EBITDA. This was demonstrated by the EBITDA to total revenue ratio of 51.5% in 1Q/2022, a significant increase from 3.4% in 1Q/2021, indicating a sign of recovery and the Company's readiness to resume normal business operations. This also increases trust in the Company's ability to recover fast and make further leaps. Additionally, the Company earns a return on the fair value of its investment properties, which reflects the Company's confidence in its future performance in high-quality assets. In 1Q/2022, the Company recorded a fair value gain of 1,186 million baht on investment properties.

Business Reshape

The Company has been able to survive the COVID-19 pandemic over the last two years because of its commitment to creating and enhancing various operational strategies to lay a strong business foundation, create long-term value, and grow steadily and sustainably. In 2022, the Company believes that the strategies it has implemented will enable it to (1) bounce back stronger through its unique business model, (2) bounce back faster through competitive synergy, and (3) bounce back higher through high-quality projects and effective management. The details of which are as follows:

(1) Bouncing back stronger through unique business model

The Company benefits from its unique business model by partnering with a strong global network of partners who provide access to a diverse range of target customers and are prepared to meet customers' expectations with world-class service standards and a choice of package options. The hotel occupancy rate continued to climb in 1Q/2022, particularly in March 2022, when the Company's hotel occupancy rate was 40.5%, up from 22.7% in March 2021. The RevPAR was 1,492 baht per night in March 2022, up from 599 baht per night in March 2021.

Because the Company owns freehold assets that make up more than 90% of its total asset portfolio, this enables the Company to continually develop and improve its assets without regard for the property's expiration date. This increases the attractiveness of the Company's assets to customers. As a result, the Company can consistently recognize value added from fair value despite the unfavorable effects of the COVID-19 situation.

Additionally, in light of the spread of COVID-19, the Company prioritizes cleanliness, social distancing, and providing more accessible services. Thus, for the Office Building Business group, the Company has implemented technology such as a facial recognition system to minimize exposure at the building's entrance and exit, as well as an electric vehicle charging station at the Empire Tower, to support an integrated lifestyle and promote eco-friendly energy consumption.

The Company has a capital management strategy in place to increase financial strength and liquidity in the Company's business operations by utilizing a source of funds that is consistent with the assets in which the Company will invest. The Company also manages interest rates through financial instruments to hedge against rising interest rates. Furthermore, the Company places a high value on the management of various risks that could impact its operations. This is a key procedure for long-term value creation stability in today's uncertainty.

(2) Bouncing back faster through competitive synergy

The Company's strategy is to customize to meet the needs of its target customers. With the government's tourism promotion program driving tourism demand from both Thai and foreign tourists, High-to-Luxury travelers will be the first to visit Thailand, which corresponds to the Company's target demographic seeking high-quality properties. The Company not only adheres to international and SHA Plus service standards, but also provides complete facilities. Additionally, the Company benefits from corporate customers who are hotel chain partners, as well as individual tourists who emphasize health tourism, which matches with the high-quality service provided by the Company's Group assets. In 1Q/2022, Phuket Marriott Resort and Spa, Nai Yang Beach, which is part of the Phuket Sandbox project supported by the government, had an occupancy rate of 60.9%, an increase of 26.9% compared to

1Q/2021. As a result of the promotion of domestic tourism, Hua Hin Marriott Resort & Spa had an occupancy rate of 53.5%, compared with 34.4% of 1Q/2021.

According to the 1Q/2022 results, the Company's performance has continued to improve, which is considered a rapid recovery supported by a new customer base. When considering the number of customers in the country, the number of room night stays in hotels in 1Q/2022 totaled 72,139, an increase of 40.8% over the same period last year.

Additionally, the Company has an AWC Infinite Lifestyle program that connects the services of all business segments to provide users with the most fulfilling service experience possible. This is done to strengthen the customer base and to improve the incentives to continue using the Company's services.

Simultaneously, the Company plans and manages resources by successfully managing human resources in crisis scenarios through strategic staff allocation among hotels to ensure service continuity while planning working capital. Additionally, supply chain management is included to ensure that all processes function smoothly and are prepared for a rapid recovery. This helps the Company to generate cash flow consistently and rapidly.

(3) Bouncing back higher through high-quality projects and effective management

By implementing a strategy to adjust the structure of cost management and successfully control costs, the Company boosts its competitiveness and long-term profit potential. As a result, the increase in revenue in each of the Company's businesses will flow through as growth in EBITDA at a proportion greater than the target set for 1Q/2022. Compared to same period of last year, Hospitality Business had a flow through ratio of 60% ; Courtyard Marriott Phuket Town had a flow through ratio of 140% and Leasing Business had a flow through ratio of 245%.

Additionally, the Company attaches great importance to core values, which include working with integrity (INTEGRITY), heartfelt dedication (PASSION), collaborative work toward goals (GOAL ORIENTED), striving for customers (CUSTOMER CENTRIC), and giving back to society towards sustainability (CARING). These values serve to unite

the organization and motivate the entire group of employees to achieve the Company's goals.

As part of the endeavor to optimize the organization's overall competence and competitive advantage, the Company appreciates and develops efficient human resource management.

The Company has consistently improved its work processes to maximize operational efficiency through the integration of work processes and digital technology. Over the last three years, the Company has developed 153 work processes that enable businesses to generate value by maximizing the utilization of existing resources, which results in improved performance and a more efficient working environment.

The Company continues to focus on developing high-quality projects to scale up its potential and capacity to generate cash inflows and support its growth stably and sustainably. In April 2022, the Company unveiled the Melia Chiang Mai Hotel to service tourists visiting Chiang Mai. Additionally, there are high-quality projects that will be open to tourists in 2022, including the InterContinental Chiang Mai Mae Ping Hotel.

For future projects, the Company continues to develop projects that will generate continuous and sustainable cash flow. The number of room keys for the year 2022 is 5,577* keys, up from 3,432 keys in 2019, representing a 62.5% increase. The target segment remains the High-to-Luxury hotels in prime locations.

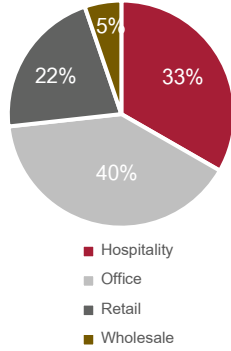
In 1Q/2022, the Company's performance improved significantly, as evidenced by an increase in hotel occupancy rates, a recovery of MICE hotel business, more new office space leases signed, and an increase in Retail Business customers, all of which indicate the Company's resurgence across all segments. The Company is certain that it will be able to rebound and grow stronger and more steadily, just as it did before the COVID-19 pandemic.

* The number of room keys in 1Q/2022 was 4,941 keys. In April 2022, the Company unveiled the Melia Chiang Mai Hotel of 260 keys. The rest of year 2022, the Company is expected to open 376 new keys.

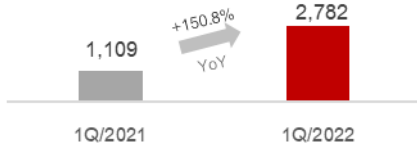
SUMMARY OF OPERATING RESULTS

Total Revenue*

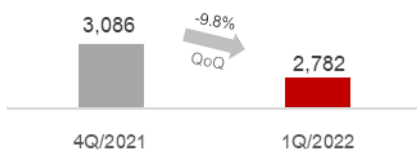
Graph 3 : The proportion of each business group revenue (Financial Statement) of 1Q/2022



Graph 4 : Total revenue (Financial Statement) (mil. baht)*



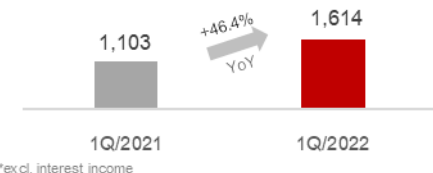
Graph 5 : Total revenue (Financial Statement) (mil. baht)*



The Company's total revenue as stated in the 1Q/2022 Financial Statement was 2,782 million baht, increasing by 150.8% YoY due to a significant increase in hotel occupancy rates, especially in the Non-Bangkok City Group with an increased occupancy rate from 18.1% in 1Q/2021 to 40.3% in 1Q/2022. As there were more traffic in retail properties, the Company offered lower discounts to retail tenants, which also contributed to an increase in total revenue. The Office Building Business performance remained robust. This emphasizes the benefits of the Company's well-diversified portfolio strategy, allowing it to reduce revenue volatility and maintain a stable income. In addition, during 1Q/2022, the government relaxed the lockdown and implemented a policy to reopen the country, allowing businesses to resume their normal operations. As a result, all of the Company's business areas grew tremendously and showed encouraging signs of recovery. In addition, this quarter the Company recorded an additional 1,168 million baht from fair value gains, increasing continuously from the fair value gains of 1,588 million baht recorded in 4Q/2021, which reflects a significant improvement in the COVID-19 situation. Compared to the previous quarter (QoQ), the Company's total revenue, according to the financial statements for the 1Q/2022, was down 9.8%.

Additional Information (Operating Performance)

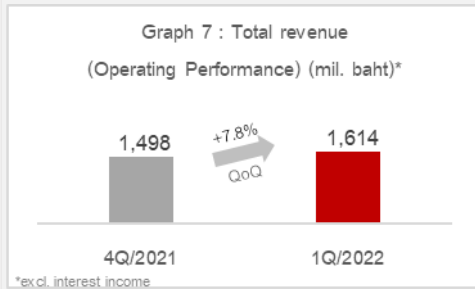
Graph 6 : Total revenue (Operating Performance) (mil. baht)*



Total revenue from Operating Performance in 1Q/2022 totaled 1,614 million baht, increasing by 46.4% YoY due to the relaxation of lockdown measures and implementation of the reopening the country policy, which promoted tourism, as well as the Company's reduction of tenant discounts.

* The revenue does not include interest incomes.

Additional Information (Operating Performance)

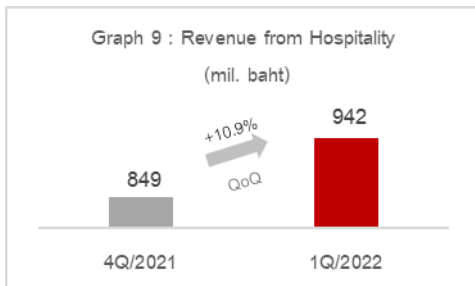
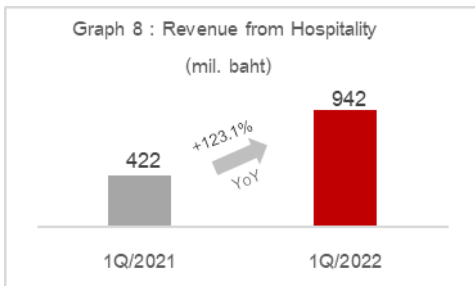


Total revenue from Operating Performance in 1Q/2022 increased by 7.8% QoQ due to the relaxation of lockdown measures and implementation of the reopening the country policy, which promoted tourism, as well as the Company's s reduction of tenant discounts.

Hospitality*

Revenue from the Hospitality Business was 942 million baht in 1Q/2022, increasing by 123.1% YoY. Compared to the previous quarter (QoQ), revenue from the Company's Hospitality Business increased by 10.9%, owing to a considerable increase in hotel occupancy rates across all segments, especially in the meeting group (MICE), which increased from 23.2% in Q4/2021 to 31.9% in Q1/2022. The government's reopening the country policy also contributed to the increase in revenue, allowing foreign tourists to visit domestic hotels and the Company to constantly recoup after the relaxation of the lockdown at the end of 2021.

In addition, the government has relaxed the requirements for entering the Kingdom of Thailand under the Test & Go program to attract more foreign travelers to enter the country more conveniently. To stimulate the domestic tourism sector, the government allowed additional registration for those who have not yet registered for the We Travel Together Phase 4 and extended the term for exercising rights in the We Travel Together Phase 3. Additionally, the government increased the number of rooms in the We Travel Together program by 2 million and extended the term for the exercising of rights in the Tour Tiew Thai program. As a result, revenue for the first quarter was constantly revised upwards.



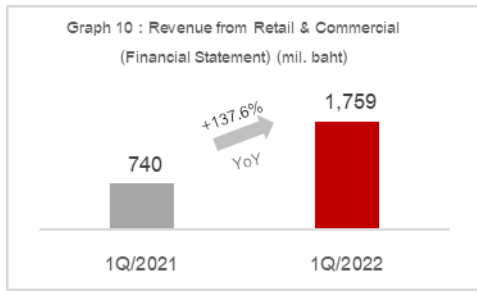
* The performance of the Hospitality Business was shown in the Operating Performance and is the operating profit before excluding related transactions between business groups.

Table1: Revenue of the Hospitality and related services*

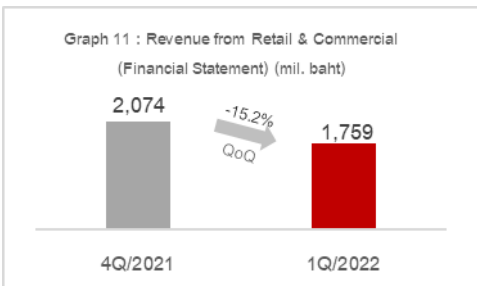
Categories	1Q/2022 (THB m.)	QoQ	YoY	Explanation
MICE (48%;43%)**	448	16.2%	97.5%	In comparison to the performance of competitors in the same group, in 1Q/2022 the hotels had an above-average RGI, especially, Bangkok Marriott Hotel the Surawongse at 245.9, and The Okura Prestige Bangkok, at 123.0. Moreover, revenue in 1Q/2022 consistently increased QoQ following the relaxation of lockdown measures at the end of 2021 and the country reopening.
Bangkok City (8%;15%)**	78	27.5%	35.7%	Revenue in 1Q/2022 consistently increased QoQ following the relaxation of lockdown measures at the end of 2021 and the country reopening.
Luxury Resort (13%;15%)**	126	19.5%	172.9%	In 1Q/2022, the Luxury Resort group had an RGI of 138.9, whereas the highly popular hotel – Banyan Tree Krabi - had an RGI at 217.5. Moreover, revenue in 1Q/2022 consistently increased QoQ following the relaxation of lockdown measures at the end of 2021 and the country reopening.
Non-Bangkok City (31%;27%)**	283	0.0%	159.0%	In 1Q/2022, the Non-Bangkok City Hotel group had an average RGI at 121.3, which was higher than the group's competitors. Le Meridien Chiang Mai had an RGI of 183.4. Moreover, revenue in 1Q/2022 increased by 100% YoY
Total	935	12.0%	112.6%	

* Each business unit is referred to only the operating assets of the Company. Revenue before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

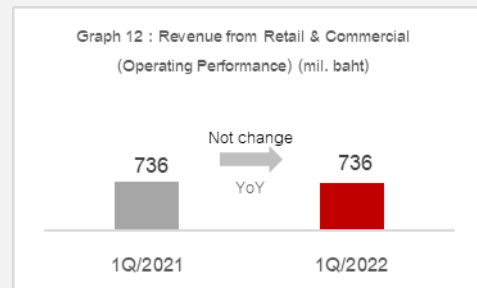
** Revenue proportion of operating assets of the Hospitality and related services; asset value proportion of operating assets of the Hospitality and related services group.



Retail & Commercial * consisting of Retail and Commercial Business: According to the Financial Statements, revenue for the Retail and Commercial Business in 1Q/2022 was 1,759 million baht, increasing by 137.6% YoY due to a higher occupancy rate, lower discounts to tenants and fair value gains of 1,168 million baht. In 4Q/2021, the Company booked fair value gains of 1,588 million baht. According to the Financial Statement, in Q1/2022 the Retail and Commercial Business had a 15.2% decrease in revenue compared to the previous quarter (QoQ).

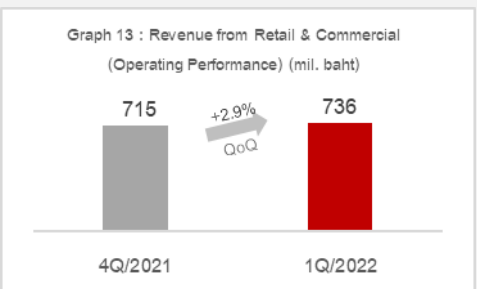


Additional Information (Operating Performance)



For 1Q/2022, revenue from the Operating Performance of the Retail and Commercial Business was 736 million baht, unchanged compared to the same period in 2021.

Additional Information (Operating Performance)



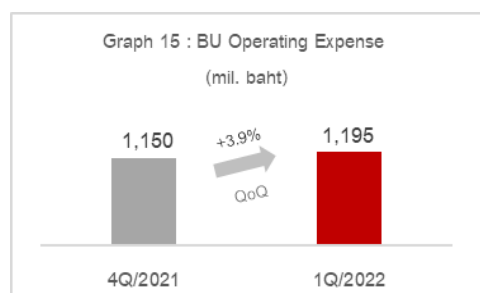
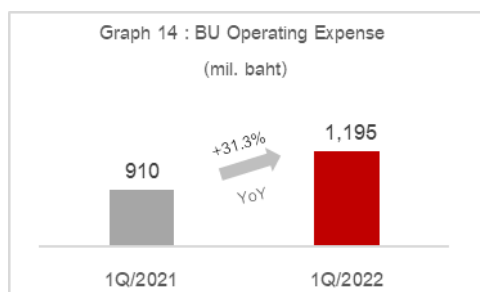
Compared to the previous quarter (QoQ), revenue from the Operating Performance of the Retail and Commercial Business increased by 2.9% because the government had eased lockdown measures since the end of 2021, allowing people to access shopping centers for shopping and dining. Moreover, office tenant companies allowed their employees to return to work, while tenants who needed new leased spaces and to relocate offices could travel more easily to conduct site visits and sign contracts. The Company also decreased the discounts to impacted tenants, resulting in an increase in revenue during 1Q/2022.

* This amount is the revenue before excluding related transaction between business groups.

Table 2: Revenue of the Retail and Commercial*

Categories	1Q/2022 (THB m.)	QoQ	YoY	Explanation
Community Shopping Malls (17%;26%)**	126	11.6%	8.8%	The group's revenue in 1Q/2022 increased from the previous quarter because people could access shopping centers for shopping and dining.
Tourist Lifestyle Destination (6%;9%)**	43	18.4%	48.9%	The revenue of tourism shopping centers in Q1/2022 increased from the previous quarter because the Company gave fewer discounts to tenants.
Community Market (7%;14%)**	49	12.7%	3.3%	The group's revenue in 1Q/2022 increased from the previous quarter because people could access shopping centers for shopping and dining.
Commercial Building (70%;51%)**	518	-0.9%	-4.9%	Revenue from Office buildings in 1Q/2022 declined slightly from the previous quarter. Owing to the COVID-19 pandemic of late 2021, tenants who needed new leased spaces couldn't travel to conduct site visits and sign contracts. While, in 1Q/2022 tenants can travel more easily to conduct site visits and sign contracts. However, office rental income generated consistent cash flow that was unaffected by the COVID-19 pandemic.
Total	736	2.9%	-0.1%	

Operating Expense of Business Group (BU) ***



In 1Q/2022, the operating expenses of the Business Group (BU) totaled 1,195 million baht, an increase of 31.3% over the same period last year. Operating expenses comprised 638 million baht in fixed expenses, an increase of 1.7% compared to the same period last year due to higher accrued property tax expenses. This quarter's fixed expenses were reduced by 3.6% compared to the same period last year when property taxes was excluded. Variable expenses amounted to 557 million baht, an increase of 97.1% compared to the same period in 2021, in line with the increase in revenue. Compared to the previous quarter (QoQ), the BU operating expenses grew by 3.9%, in line with the increase in revenue.

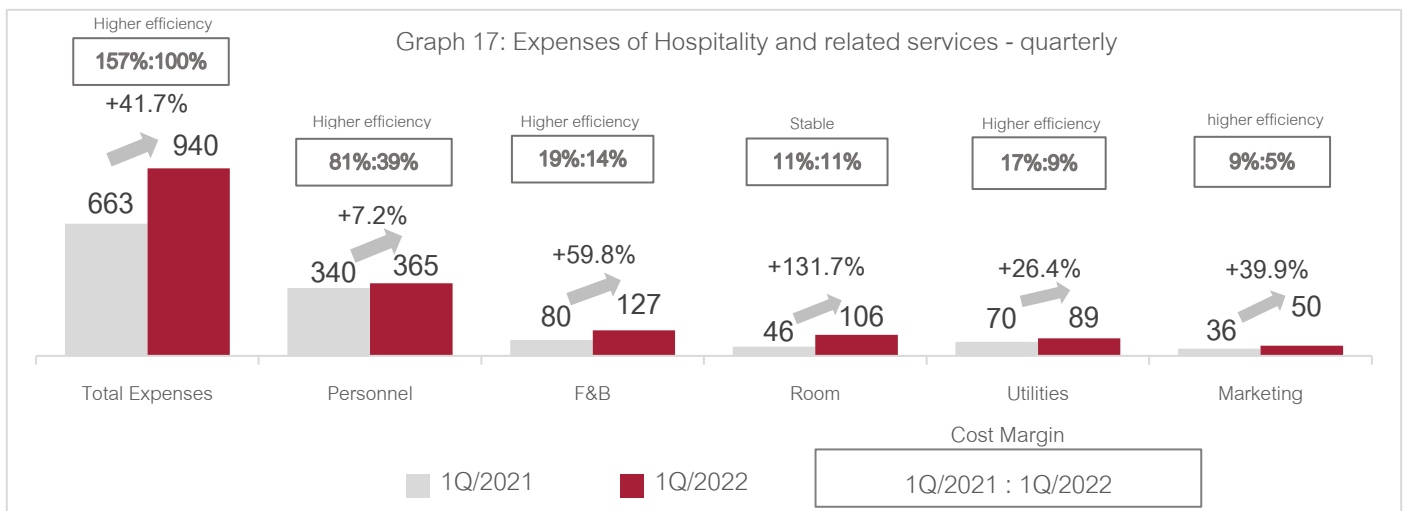
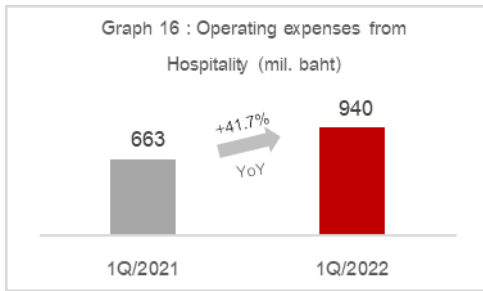
* Each business unit is referred to only the operating assets of the Company. Revenue before elimination of related party transactions, is excluded management fees, interest income and gains on Investment Properties.

** Revenue proportion of operating assets of the Retail and Commercial; asset value proportion of operating assets of the Retail and Commercial group

*** This amount is the operating expense before excluding related transaction between business groups.

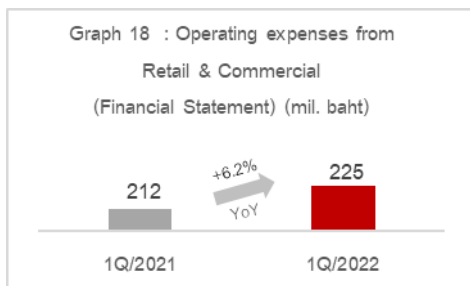
Hospitality *

In 1Q/2022, operating expenses of the Hospitality Business totaled 940 million baht, increasing by 41.7% YoY. Compared to the previous quarter (QoQ), operating expenses increased by 9.7%, in line with the increase in revenue.



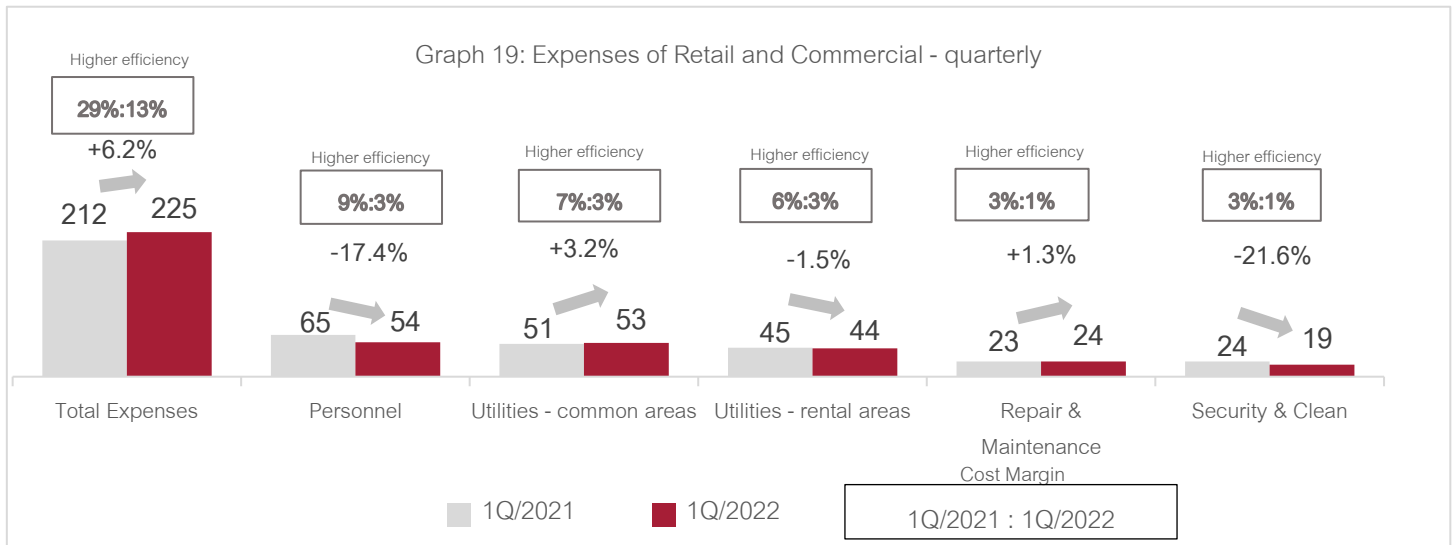
Retail & Commercial **

According to both the Financial Statement and Operating Performance, operating expenses of the Retail and Commercial Business in 1Q/2022 totaled 225 million baht, increasing by 6.2% YoY. However, the cost margin improved from 28.7% in 1Q/2021 to 12.8 in 1Q/2022, representing a 15.9% improvement. Compared to the previous quarter (QoQ), operating expenses decreased by 15.5% due to efficient cost management.



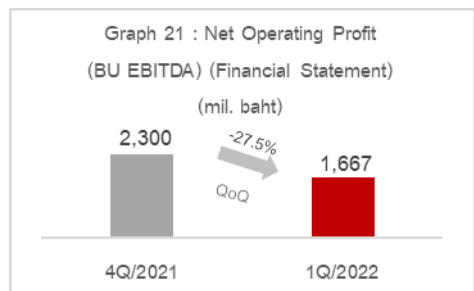
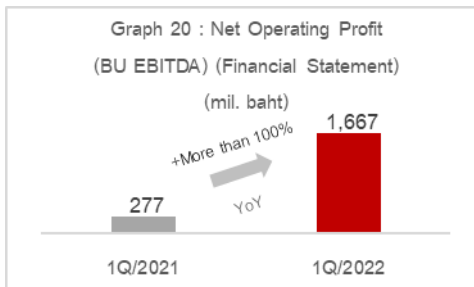
* The performance of the Hospitality Business was shown in the Operating Performance. The operating expenses of the business group is the operating expenses before excluding related transactions between business groups.

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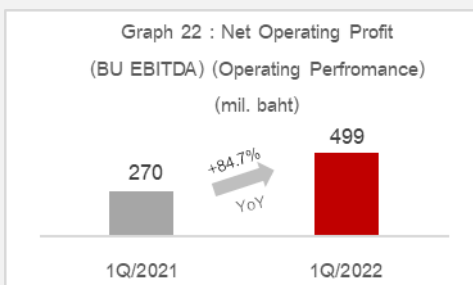


Net Operating Profit (BU EBITDA)*

According to the Financial Statement, the Net Operating Profit (BU EBITDA) of business group in 1Q/2022 was 1,667 million baht, increasing more than 100% YoY because the Company was able to quickly recover across all business groups following the easing of the lockdown and fair value gains that continued from Q4/2021, with gains of 1,588 million baht, and in Q1/2021 with gains of 1,168 million baht. Compared to the previous quarter (QoQ), the Net Operating Profit (BU EBITDA), according to the Financial Statement, declined by 27.5% in 1Q/2022.

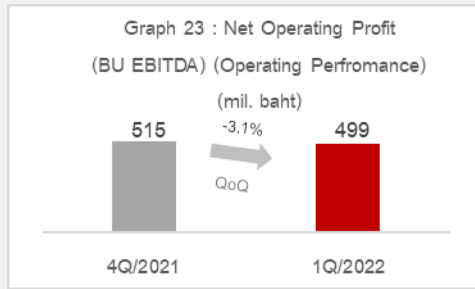


Additional Information (Operating Performance)



In 1Q/2022, the Net Operating Profit (BU EBITDA) of the business group from Operating Performance was 499 million baht, increasing by 84.7% YoY due to the Company's resurgence across all segments following the easing of the lockdown.

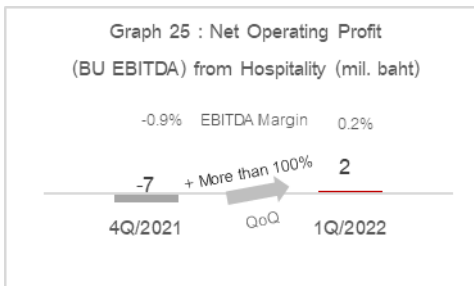
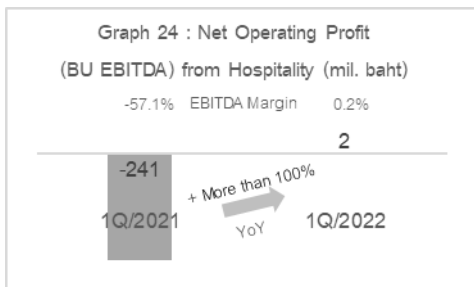
Additional Information (Operating Performance)



Compared to the previous quarter (QoQ), the Net Operating Profit (BU EBITDA) of the business group from Operating Performance declined by 3.1% in 1Q/2022 due to an increase in accrued property tax expenses.

Hospitality*

The Net Operating Profit (EBITDA) in 1Q/2022 amounted to 2 million baht, an increase of more than 100% YoY and also more than 100% QoQ, indicating the recovery of the Hotel and Related Services Business due to an increase in both domestic and international hotel guests, in accordance with the government policy that supports tourism and opens the country for more tourist arrivals.

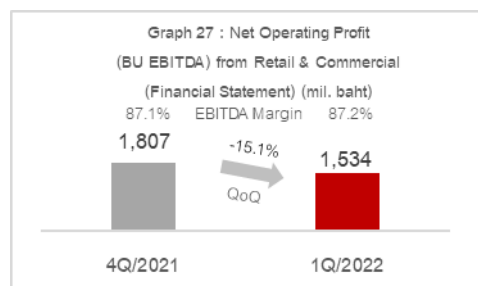
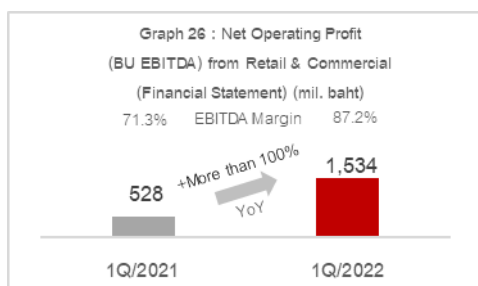


* The performance of the Hospitality Business in Financial Statement is equal to the Operating Performance and is the operating profit before excluding related transactions between business groups.

Table 3: Net Operating Profit (BU EBITDA) of Hospitality and Related Services **

Categories	1Q/2022 (THB m)	QoQ	YoY	Explanation
MICE	9	196.3%	108.0%	The Net Operating Profit (BU EBITDA) of the business group increased compared to the previous quarter as the government declared a relaxation of the lockdown and the reopening of the country, resulting in the MICE group being able to recoup fast.
Bangkok City	(26)	18.8%	26.8%	The Net Operating Profit (BU EBITDA) of the business group increased compared to the previous quarter as the government declared a relaxation of the lockdown and the reopening of the country.
Luxury Resort	17	204.1%	159.3%	The Net Operating Profit (BU EBITDA) of the business group increased considerably compared to the previous quarter as the government declared a relaxation of the lockdown and the reopening of the country.
Non-Bangkok City	20	-22.3%	129.9%	The Net Operating Profit (BU EBITDA) of the business group increased compared to same quarter last year as the government declared a relaxation of the lockdown and the reopening of the country.
Total	20	283.3%	108.1%	

Retail & Commercial*



The Company earned a Net Operating Profit (BU EBITDA) of the business group according to the Financial Statement in 1Q/2022 of 1,534 million baht, an increase of more than 100% YoY due to an increase in rental income in the Retail & Commercial Business, lower discounts to tenants, and fair value gains continued from Q4/2021, totaling 1,588 million baht, and from Q1/2022, totaling 1,168 million baht. In comparison to the previous quarter (QoQ), the Net Operating Profit (BU EBITDA) of the Retail and Commercial Business, according to the Financial Statement in 1Q/2022, dropped by 15.1%.

** Each business unit is referred to only the operating assets of the Company. EBITDA before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

* Net Operating Profit (BU EBITDA) is excluded related party transactions between business groups.

Additional Information (Operating Performance)



The Net Operating Profit (BU EBITDA) of the business group from Operating Performance in 1Q/2022 was 511 million baht, slightly decreasing by 2.5% YoY due to an increase in accrued property tax expenses.

Additional Information (Operating Performance)



Compared to the previous quarter (QoQ), the Net Operating Profit (BU EBITDA) of Retail and Commercial from Operating Performance declined 2.2% due to an increase in accrued property tax expenses.

Table 4: Net Operating Profit (BU EBITDA) of Retail & Commercial *

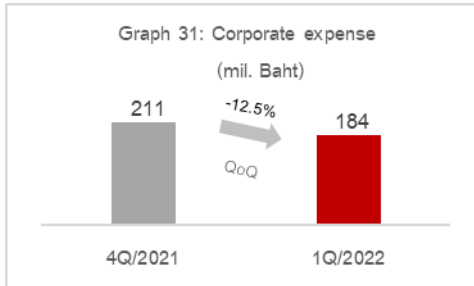
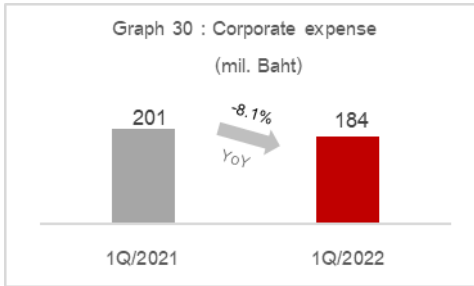
Categories	1Q/2022 (THB m)	QoQ	YoY	Explanation
Community Shopping Malls	69	5.8%	25.1%	The Net Operating Profit in 1Q/2022 increased compared to the previous quarter due to relaxed lockdown measures. As a result, the shopping centers were open to the public for shopping and dining.
Tourist Lifestyle Destination	11	-22.1%	222.5%	The Net Operating Profit of the business group in 1Q/2022 decreased compared to the previous quarter due to an increase in accrued property tax expenses. However, the Net Operating Profit improved considerably compared to same period last year.
Community Market	24	-1.6%	11.9%	The Net Operating Profit of the business group decreased slightly compared to the previous quarter due to an increase in accrued property tax expenses. However, the Net Operating Profit improved compared to same period last year.
Office	406	-3.0%	-9.4%	The Net Operating Profit of the business group decreased slightly. However, the Company was able to maintain a stable and consistent Net Operating Profit amid the current crisis.
Total	512	-2.4%	-3.4%	

The AEC Trade Center in Ayutthaya had cash outflows of 15 million baht in 1Q/2022

* Each business unit is referred to only the operating assets of the Company. EBITDA before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

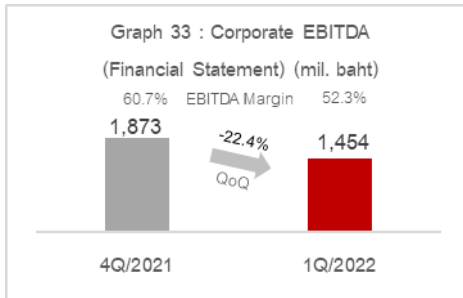
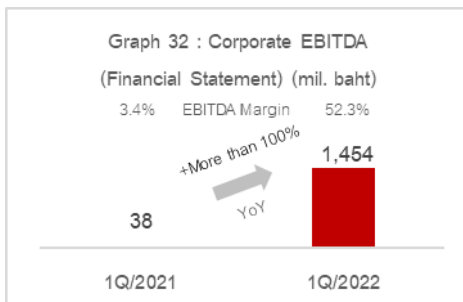
Corporate Expenses

Corporate expenses in 1Q/2022 were 184 million baht, decreasing by 8.1% YoY. In comparison to the previous quarter (QoQ), corporate expenses in 1Q/2022 decreased by 12.5% because the Company maintained ongoing control over its expenses.

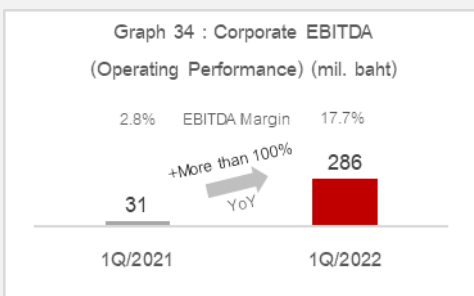


Corporate EBITDA

According to the Financial Statement, the Corporate EBITDA totaled 1,454 million baht in 1Q/2022, a more than 100% YoY increase due to improved EBITDA across all segments, higher hotel occupancy rates, and improved rental income from the Retail and Commercial Business. Moreover, the Company recorded fair value gains continued from 4Q/2021 totaling 1,588 million baht, and from 1Q/2022 totaling 1,168 million baht. Thus, the EBITDA margin in 1Q/2022 was 52.3%, a significant increase from 3.4% in 1Q/2021. Compared to the previous quarter (QoQ), the Corporate EBITDA, according to the Financial Statement, declined by 22.4% in 1Q/2022. However, the flow through ratio in all business groups improved from the previous quarter, especially in the Retail and Commercial Business at 271%.

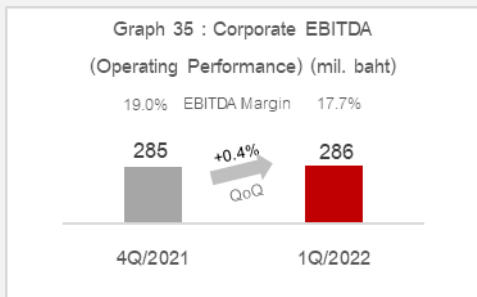


Additional Information (Operating Performance)



The Corporate EBITDA from Operating Performance in 1Q/2022 was 286 million baht, an increase of more than 100% YoY due to lockdowns being relaxed and the country's reopening policy, enabling businesses to resume their normal operations and the Company was able to recover.

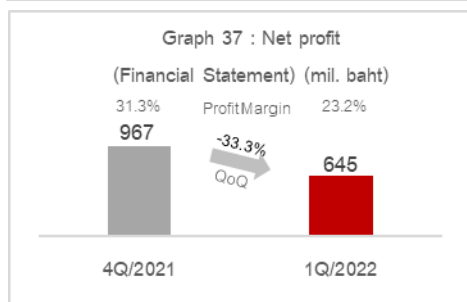
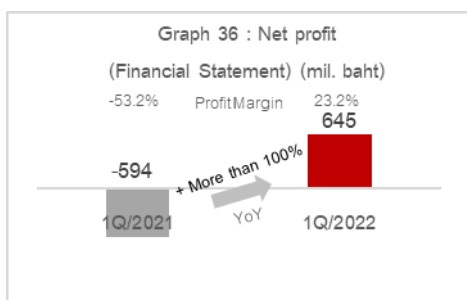
Additional Information (Operating Performance)



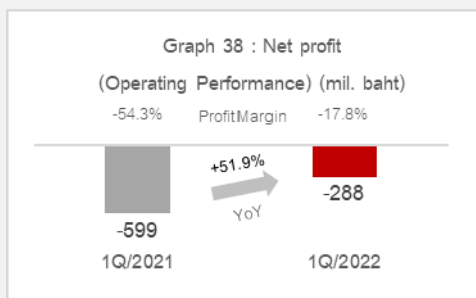
Compared to the previous quarter (QoQ), the Corporate EBITDA increased slightly by 0.4%

Net Profit

According to the Financial Statement, the Company earned a net profit of 645 million baht in 1Q/2022, a more than 100% YoY increase due to higher revenue from all business groups, resulting in higher EBITDA as shown by the 1Q/2022 EBITDA margin of 51.5%, a significant increase from 3.4% in 1Q/2021. In addition, net profit margin in 1Q/2022 was at 23.2%, a significant increase from -53.5% in 1Q/2021. This improvement indicated a correction and readiness to prepare for the return of the Company's normal business operations. This also increases trust in the Company's ability to recover fast and make further leaps. Moreover, the fair value gains from Investment Properties of 1,588 million baht in 4Q/2021 and of 1,168 million baht in 1Q/2022 were also recorded. Compared to the previous quarter (QoQ), the net profit was revised downwards by 33.3%.

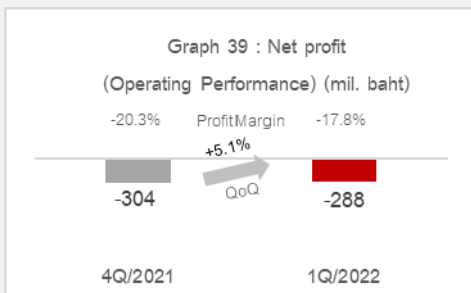


Additional Information (Operating Performance)



In 1Q/2022, the Company had a net profit from Operating Performance of -288 million baht, an increase of 51.9% YoY, indicating a correction and readiness to prepare for the return of the Company's normal business operations.

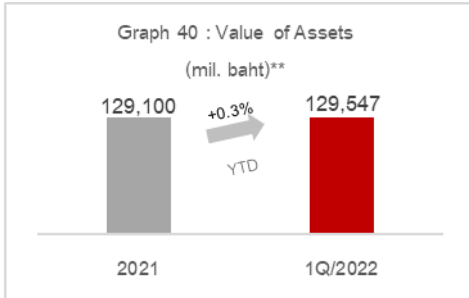
Additional Information (Operating Performance)



Compared to the previous quarter (QoQ), the net profit from Operating Performance in 1Q/2022 rose by 5.1%, indicating a correction and readiness to prepare for the return of the Company's normal business operations.

Total Assets

The Company owned total assets, as of 31 March 2022, with a value of 140,353 million baht. The main assets were operating assets, for which the details were as follows:



**The value of assets was the value before deducting accumulated depreciation and excluding assets revaluation

1. The fixed assets consisted of property, plant and equipment, investment property and leasehold rights. As of 31 March 2022, the total value of fixed assets totaled 137,263 million baht, which the value of operating assets* amounted to 137,192 million baht.
2. Other assets excluding property, plant and equipment and investment property, as of 31 March 2022 was 3,090 million baht. These other assets included the current assets which may vary from time to time depending on the normal operation and the other non-current assets such as withholding tax and refundable VAT.

The asset value at the end of Q1/2022 increased by 447 million baht when compared to the asset value at the end of 2021 as shown in graph 40. The increased asset value was caused by an increase in the investment value of fixed assets.

When considering the return on investment by analyzing the rate of return on Net Operating Profit (BU EBITDA) to fixed assets (refer to table 5) the value of fixed assets was the value before deducting accumulated depreciation and excluding assets revaluation, thus totaling 129,547 million baht.

The rate of return on the Net Operating Profit (BU EBITDA) to fixed assets in the Financial Statement for the past 12 months, as of 31 March 2022 was at 4.8%, up 3.8% from 2021.

The rate of return on the Net Operating Profit (BU EBITDA) to fixed assets from the Operating Performance for the past 12 months, as of 31 March 2022 was at 1.0%, up 0.8% from 2021.

3. The rate of return on the Net Operating Profit (BU EBITDA), according to the Financial Statement of operating assets which comprised of assets in the Business-as-Usual period (BAU), assets in the initial period (Ramp up) and assets

* The fixed assets which excluded headquarter at 71 million baht as of Q1/2022.

under repositioning (Reposition) to total fixed assets for past 12 months, as of 31 March 2022, was at 5.5%, up 4.4% from 2021.

The rate of return on the Net Operating Profit (BU EBITDA) from the Operating Performance of operating assets, which comprised of assets in the Business-as-Usual period (BAU), assets in the initial period (Ramp up) and assets under repositioning (Reposition) to total fixed assets for past 12 months, as of 31 March 2022, was at 1.1% per year, a decrease of 0.9% from 2021.

Assets in the Business-as-Usual period (BAU) accounted for 28.5% of the total fixed assets and generated a rate of return on the Net Operating Profit as shown in the Financial Statement for the past 12 months as of 31 March 2022, was at 12.9%, up from 11.1% in 2021.

The Company's assets in the Business-as-Usual period (BAU) can generate a rate of return from the Operating Performance to fixed assets for the past 12 months, as of 31 March 2022, at 4.1%, up from 4.0% in 2021, due to its Assets in the Business-as-Usual period (BAU) in the Hospitality and Related Service Group benefiting from the government's reopening country policy and relaxing lockdown measures by the end of 2021, which continued into 1Q/2022. Additionally, Assets in the Business-as-Usual period (BAU) in the Retail and Commercial Business continued its robust performance, reflecting the competitive advantages from the Company's asset portfolio diversification strategy.

Table 5: Return on Net Operating Assets EBITDA of the Business Group according to the Financial Statement and Operating Performance to Fixed Assets for 1Q/2022

The value of fixed assets is before deducting the accumulated depreciation and excludes the added value from land revaluation.

Assets	Net Operating Profit excluding valuation gain (Past 12 months)	Asset Value		Return on Net Operating Profit excluding valuation gain to fixed assets	Return on Net Operating Profit excluding valuation gain to fixed assets	Return on Net Operating Profit excluding valuation gain to fixed assets	Return on Net Operating Profit according to the Financial Statement to fixed assets	Return on Net Operating Profit according to the Financial Statement to fixed assets
		Amount (MB)	%	As of 31 March 2022 (Past 12 months)	For 2021	For 2019	As of 31 March 2022 (Past 12 months)	For 2021
Hospitality and related services								
Asset in Business-as-Usual period (BAU)	(108.6)	12,570.3	16.4%	-0.9%	-1.6%	8.1%	-0.9%	-1.6%
Asset in initial period (RAMP UP)	(404.5)	37,883.4	49.4%	-1.1%	-1.5%	5.3%	-1.1%	-1.5%
Asset under repositioning (REPOSITION)	(108.3)	6,388.6	8.3%	-1.7%	-2.0%	6.7%	-1.7%	-2.0%
Asset under development (DEVELOPING)	(6.8)	19,772.7	25.8%	0.0%	0.1%	-0.6%	1.4%	0.1%
Total	(628.3)	76,614.9	100.0%	-0.8%	-1.1%	5.8%	-0.5%	-1.1%
Retail and Commercial								
Asset in Business-as-Usual period (BAU)	1,635.9	24,412.0	46.1%	6.7%	6.9%	8.5%	19.9%	17.7%
Asset in initial period (RAMP UP)	74.7	2,767.4	5.2%	2.7%	2.6%	6.2%	5.2%	0.6%
Asset under repositioning (REPOSITION)	150.9	25,736.3	48.6%	0.6%	0.5%	5.6%	6.3%	5.6%
Asset under development (DEVELOPING)	-	16.1	0.0%	0.0%	0.0%	-1.8%	0.0%	0.0%
Total	1,861.5	52,931.8	100.0%	3.5%	3.6%	5.4%	12.5%	10.9%
Total of Fixed Assets	1,233.3	129,546.7	100.0%	1.0%	0.8%	5.6%	4.8%	3.8%
Fixed Assets of the Company								
Asset in Business-as-Usual period (BAU)	1,527.3	36,982.3	28.5%	4.1%	4.0%	8.3%	12.9%	11.1%
Asset in initial period (RAMP UP)	(329.7)	40,650.8	31.4%	-0.8%	-1.2%	5.8%	-0.6%	-1.3%
Asset under repositioning (REPOSITION)	42.6	32,124.8	24.8%	0.1%	0.0%	6.0%	4.7%	4.1%
Asset under development (DEVELOPING)	(6.8)	19,788.8	15.3%	0.0%	0.1%	-1.4%	1.4%	0.1%
Total of Fixed Assets	1,233.3	129,546.7	100.0%	1.0%	0.8%	5.6%	4.8%	3.8%

Note: 1) The Net Operating Profit (EBITDA) of the business group is equated to the total income (excluded Related Party Transactions, Management fees, Interest Income, and other income) which all expense has been deducted (excluding the financial cost). Credit Note is adjusted as deemed appropriate with the applicable quarter.

The above assets are referred to only the operating assets of the Company.

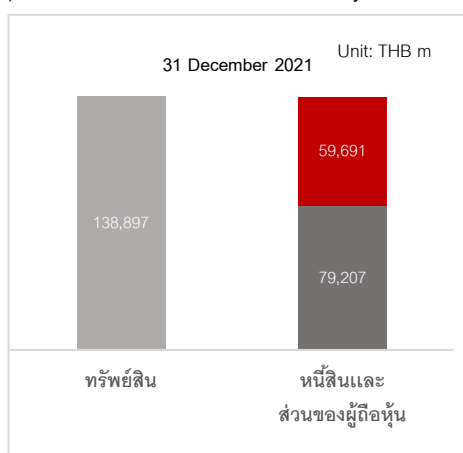
2) The value of fixed assets before deducting the accumulated depreciation and excluding assets revaluation as to display the return of investment.

Liabilities and Shareholder's Equity

As of 31 March 2022, the Company recorded total liabilities of 60,449 million baht, increasing by 758 million baht, or 1.3%, compared to the Financial Statement at year-end of 2021 (Graph 41.1 and 41.2). The liabilities consisted of interest-bearing debt (IBD) amounting to 48,325 million baht, and other liabilities amounting to 12,124 million baht. As of 31 March 2022, the shareholder's equity stood at 79,904 million baht (Graph 41.2), mainly an increase from the recognition of positive results of 645 million baht in 1Q/2022.

Graph 41: Financial Structure

Graph 41.1 Financial Statement as of year end 2021



Graph 41.2 Financial Statement as of 31 March 2022



■ Assets

■ Liabilities

■ Equity

Table 6: Financial Ratio

Financial Ratio		Year		Quarter		
		2021	2022	1/2021	4/2021	1/2022
Financial Statement	EBITDA Margin	24.1%	47.6%	3.4%	60.7%	52.3%
	Net Profit Margin	-14.2%	10.4%	-53.5%	31.3%	23.2%
Operating Performance	EBITDA Margin	18.8%	1.3%	2.8%	19.0%	17.7%
	Net Profit Margin	-20.8%	-51.1%	-54.3%	-20.3%	-17.8%

The EBITDA margin and net profit margin as shown in the 1Q/2022 Financial Statement stood at 52.3% and 23.2%, respectively, significantly increasing from the

same period last year due to the higher revenue and EBITDA in all business groups following relaxed lockdown measures in the end of 2021, which continued into this quarter. Moreover, the fair value gains from Investment Properties of 1,588 million baht in 4Q/2021 and of 1,168 million baht in 1Q/2022 were also recorded. Compared to the previous quarter (QoQ), the EBITDA margin and net profit margin as shown in the 1Q/2022 Financial Statement was revised downwards due to accrued property tax expenses.

The EBITDA margin and net profit margin from the Operating Performance in 1Q/2022 stood at 17.7% and -17.8%, respectively, up from the same period last year because all business groups of the Company were able to quickly recover following the relaxation in lockdown measures. Compared to the previous quarter (QoQ), the EBITDA margin and net profit margin from the Operating Performance declined slightly due to accrued property tax expenses.

Table 7: Debt to Equity Ratio

Ratio	2020 (After Restate)	2021	1Q/2022
Debt to Equity Ratio	0.71 times	0.75 times	0.76 times

The Debt to Equity Ratio as of 1Q/2022 was at 0.76 times, a slight increase from the end of 2021. This reiterated the Company's solid financial structure and strong leverage capability in reserving liquidity to support the continuous growth and business plan.

Sustainable Development

The Company continues to adhere to and expand its mission under the concept "Building a Better Future" by applying the principles of sustainable development across all sectors of the organization, coupled with operations in all dimensions of the business throughout the driving mechanism to achieve the goal of creating holistic values for all stakeholders, which the Company adheres to as a key operational guideline.

Environment Performance

The Company participated in the activity "60+ Earth Hour 2022" at Chong Nonsi Skywalk as a network member of Bangkok and the World Wildlife Fund (WWF) Thailand, in collaboration with establishments from all 4 business units, including 17 hotels, 4 office buildings, 7 shopping centers, and 2 wholesale business groups, with a total of 30 locations turning off the lights for 1 hour between 20:30 hrs. - 21:30 hrs. on 26 March 2022. From this activity, energy consumption was reduced by 2,604 kilowatt-hours. With its effective strategies, the Company is ready to steer towards more sustainable development for the community, society, and all stakeholders to jointly create a better future.

In terms of implementing energy-saving initiatives, ending in the first quarter of the past, the Company has operated a total of 3 project groups, comprising the operations management project, short-term project, and long-term project. In the operations management project, initiatives included increasing the temperature of chilled water by 1 Fahrenheit, shutting down the swimming pool pump, managing the opening and closing of the cooling tower appropriately at night, turning off the air handling unit/air conditioner in the lobby at night, controlling the on/off status of lights, turning off the hoods and unplugging electric water boilers when they are not in use. This cut the operational costs of the project by approximately 1,180,000 Thai Baht. Initiatives in the short-term project include the replacement of incandescent light bulbs with LED bulbs, which cut operational expenses by roughly 1,900,000 baht. Long-term project initiatives include the optimization of the heating system, ventilation, and air conditioning, which save operational expenses by roughly 6,880,000 baht. As a result, total operational costs were lowered by 9,960,00 baht at the end of the first quarter, and energy consumption was cut by 2,620 megawatt-hours. This is equivalent to lowering greenhouse gas emissions by 1,309 tons of carbon dioxide, planting about 1,070 Rai of forest, or the energy consumption of 1.5 Melia Koh Samui hotels

For the circular economy operation performance, and specifically efforts to reduce food waste, the Company has established a goal of zero food waste sent to landfill. As a result, the Company has collaborated with partners to drive the matter forward in a concrete manner. The Company began piloting at Melia Chiang Mai Hotel, the

Company's newest hotel, under the concept of "A Charm of Chiangmai," or integrating the charming and valuable local identity of Chiang Mai, in collaboration with ORI9INS, The Gourmet Farm," an organic farm in San Sai District. The operation is structured as a business partnership. The Hotel leases farmland and collaborates with local farmers to harvest high-quality products that are delivered directly to the Hotel. This collaboration between the Melia Chiang Mai Hotel and ORI9INS, The Gourmet Farm will contribute to the creation of a dining experience based on the "Farm to Table" concept, which is at the core of the hotel's 360° cuisine program, which aims to collaborate with local farmers. In addition to encouraging organic farming and supporting the acquisition of local raw materials, this relationship aims to decrease the Hotel's food waste by returning sorted food waste to the farm to be composted. This effort supports the Company's commitment to reaching its goal of "Zero food waste to landfill".

Social Development

Regarding the social performance under the Sustainable Development Framework, in 1Q/2022 the Asset World Foundation for Charity supported the establishment of an almshouse at The Lhong 1919 Riverside Heritage Destination Project to build a relationship with communities and entrepreneurs around the Project (Community Engagement), which included Wat Thong Thammachat community, the community behind Thonburi Polytechnic School, and the community in Soi Yaek Thanon Chiang Mai, accounting for more than 300 households. Moreover, The Gallery maintains its commitment to jointly promote works designed by the new Thai generation (St-Art brand) who are art enthusiasts and autistic youths under the care of the Thai Autistic Foundation, a public benefit organization under the Ministry of Social Development and Human Security. The workpieces will be developed into products from discarded materials such as cloth bags, pillowcases, bed sheets from leading hotels in the AWC group, and sold at The Gallery's countrywide branches. This is an opportunity for the youths to display their art for people from around the world and build a career, allowing them to return earnings to the community.

Corporate Governance

The Company gives great importance to governance of the policy framework, guiding principles, and procedures in order to create transparency and to comply with the

Good Corporate Governance Policy in a systematic way in which every policy will be applied in the organization consistently in every hierarchy. Starting from the shareholders' will, regulations of the Company, Policies, Management Policies, Processes and Procedures, Work Instructions, various Forms in the organization, to supporting documents for the operations of each department. All of these are key important mechanisms for good corporate governance.

Additionally, the Company also established a document control solution, through work processes as well as a digital document control system. Hence, the Company's governance of the policy framework allows the Company to create data assets which will be long-term valuable assets that will strengthen AWC's business as an information-based organization, using data analytics capabilities and applying a systematic decision-making process. The Company is committed to developing AWC for consistent growth, continuity, and sustainability in a systematic manner.

For the overall performance in 1Q/2022, the Company anticipates a rebound in the Thai economy, particularly in the government-supported tourism industry that will continue to grow throughout the remainder of 2022. In addition, the Company continues to develop high-quality projects to drive its growth, generate cash flow, and increase its competitiveness. All of which will enable the Company to grow continuously and sustainably to fulfill the mission "Building a Better Future" and to create long-term value for all stakeholders under the principles of sustainable business development.