Singha Estate Public Company Limited
Management Discussion and Analysis Q3/2022

Executive Summary

The Thai economic continued to grow in the nine-month period of 2022, attributed to private consumption and exports along with a positive sign in the tourism sector, showing that international tourist arrivals rose following the gradual easing of border restrictions. At the same time, a rebound in service sector was backed by the government stimulus measures. The Company, thus, announced total revenue for the nine-month period of 2022 (“9M2022”) of THB 8,491m, increased by 65% from the nine-month period of 2021 (“9M2021”). Looking into the remainder of 2022, the resumption of economic activities and tourism sector will grow at a rapid pace in response to full reopening to international tourism, starting from October 1, 2022.

The revenue from sales of real estate amounted to THB 1,419m in 9M2022, comprising of (1) the revenue from sale houses and condominium units amounted to THB 1,222m which separated to condominium 57% of total sale and landed properties 43% of total sale. The Company foresee the accelerated transferred activities of the landed properties on the back of strong demand in housing projects. Moreover, the Company set target to transfer the new housing series by the fourth quarter of the year. (2) the revenue from sale industrial area amounted to THB 198m mainly from the land transfer in S Industrial Estate Angthong during the second quarter of 2022.

Whereas the revenue from rental and services in an amount of THB 7,072m improved by 98% from the same period last year, brought up by the remarkable performance of hospitality business particularly during the third quarter of 2022 (Q3/2022). In the said period, the Company recorded 3 consecutive months of positive bottom line on the back of the peak season in the United Kingdom together with the stronger-than-expected of Outrigger Portfolio. Accordingly, revenue from hospitality business reported at THB 6,123m, doubling the performance of the same period in 2021. Moreover, revenue generated from commercial business in 9M2022 amounted to THB 767m, increased 6% YoY mainly from the higher average rental rate amidst the challenging situation.

The Company reported net profit for the period of THB 98m, reversed from loss of THB 238m for 9M2021. This was mainly attributed to the strong turnaround of hospitality business to profitability in Q3/2022 for the first time since the emergence of COVID-19, the profit recognition from sale industrial area and the effective cost management.

Significant Developments and Outlook

Residential business

During the period, the Company consistently completed land transfer of 4 plots at Santiburi the Residences. This will make the backlog pending for transfer as of 30 September 2022 of 9 land plots or accounted for 36% of total unit. The Company expects to complete the land transfer of 3 plots in Q4/2022, followed by 6 land plots by the first half of 2023.

The success of Santiburi the Residences will extend into luxury single detached house to leverage brand equity. The Company unveils its plan to invest more than THB 14 billion budget to push forward the luxury housing market, bringing target project values up to THB 23 billion within three years. The focus lies on new housing projects will concentrate on high-end housing segmentation which is considered as the Company's expertise. Moreover, the Company is confident that the demand for luxury homes will continue to expand and would be relatively less sensitive to the economic conditions, comparing to other segments.

The three new segments including:

(1) Super-luxury detached housing project worth THB 50 - 100 million per unit in a premium location under the brand, Siraninn Residence

(2) Luxury housing project in a premium location that is well reflected in the urban and stylish luxury lifestyles, which is offered at THB 20 - 50 million per unit.

(3) Affordable luxury housing project in another premium location that is convenient and highly accessible to the heart of the city. The project is created for the lifestyle of the modern generation, with under the THB 10 - 20 million per unit.

Singha Estate's most recent low-rise residential project, "SIRANINN Residences Pattanakarn" is a two-story house based on the "Horizontal Luxury" design concept and includes 28 plots of single-detached family homes which the estimated price starts from THB 65m to THB 180m. Even though the project was expected to be sold by the end of 2022, 95% of its total project value has already been purchased. This accomplishment illustrates consumers' trust in Singha Estate's property development potential that reiterate the brand's quality that sets it out from competitors. This ensure that Singha Estate's projects can truly fulfill the needs of the Super Luxury market.

The Company set the target to transfer ownership of housing project between Q4/2022 and Q1/2024, followed by the three new projects which will be officially launched in 2023 with a total project value of THB 7,700m. The site for these new projects is secured and currently ready for development. Moreover, the Company continues to launch 3 - 4 projects annually with an estimated value of THB 7,000m per year.

With respect to high-rise projects, the presale and transfer activities continued to grow during the period. This will make the presale and total accumulated transfer as of 30 September 2022 for The ESSE Sukhumvit 36 was 76% and 63% of the total project value. While The Extro hold backlog pending for transfer of 23% of total project value. Whereas the Company foresee the positive sign of housing market for 2023 on the back of the government stimulus measures and the resurgence of demand from foreign buyers, following the normal situation of international travel.

Hospitality business

At present, all hospitality business of the Company was under the management of the Company' s subsidiary – SHR, operating 37 properties 4,472 keys in the portfolio.

The robust recovery of tourism is reflected not only in the number of tourist arrivals for many destinations across the globe but also in the rising tourism spending out of the major source markets. International expenditure by tourists from many countries in the United States and Europe is now at 85% and 70% of pre-pandemic levels, while spending from India, Saudi Arabia, and Qatar has already exceeded 2019 levels. These will be a key factor to grow the tourism sector and our hotel's performance. However, the pace of recovery was uneven among regions and countries, depending on the characteristics and regulations of each country. The Company, thus, revised its strategies and has adapted the policies in relation to the tourism industry according to the conditions of each country as per the details below:

<u>Thailand</u>

Thailand's tourism situation during 9M2022 gradually recovered following the government continuous adjusting and lifting restrictions which is an obstacle to international tourists. The country has fully reopened to international tourism and no longer requires tourists to show proof of vaccination or ATK test results, starting from 1 October 2022. This will lead the tourism sector to return to bustling again in the fourth quarter of the year. Thailand welcomed 3.1 million tourist arrivals in October 2022, closely reaching an average level of pre-Covid and increasing by 44% from the previous month. The number of visitors is expected to increase further in November and December which are the high-season months in Thailand. This will make the estimated accumulative inbound tourists exceed the target of 10 million visitors in 2022.

As aforesaid factors combined with the efficiency of the Company's hotel management in Thailand led to the occupancy rate of the Company's hotels in Thailand improving to 65% in October 2022. Particularly, SAii Phi Phi Island Village and SAii Laguna Phuket saw average occupancy rates of 81% and 77%, respectively. Additionally, it is likely to continue with an upward trend in occupancy rates towards the beginning of the next year.

Under the base case scenario that China's zero-Covid policy is prolonged until next year, the Tourism Authority of Thailand (TAT) forecasts that international traveler entering Thailand to achieve 18 million visitors in 2023. While the government expects tourism revenue to reach THB 2.4 trillion next year, which is 80% of the pre-pandemic times.

<u>Maldives</u>

For 9M2022, Maldives saw a 37% YoY visitor growth at 1.2 million visitors. The main tourists entering Maldives are Indian at 13%, followed by Russian and UK, accounting for 11% each. While the hotels under Company's portfolio have consistently outpaced the industry. Two hotels of CROSSROADS had an average occupancy rate in the 9M2022 at 67%, above the industry average at 59%, mostly contributed by tourists from the UK, Russian, and US which accounted for 19%, 14%, and 11% respectively. This reflected the portfolio's straight to draw the attention from high spending tourists, leading the project's ADR in 9M2022 to improve by 41% from the same period last year.

The great momentum of international tourists entering the Maldives in the fourth quarter of 2022 (Q4/2022) is expected to continue at a rapid pace due to the high season approaching and more international flight routes and frequency. At the same time, the company foresees the greatest performance since its opening in 2019. CROSSROADS Project is predicted to enjoy the highest average ADR at the level of 410 USD for the year 2022.

The government targets to attract 1.6 million tourists this year. Regardless of visitors from other countries in Asia, such as China, the country's tourist arrival numbers are now almost to achieving pre-COVID-19 levels due to the hard work of those involved in the tourism sector. Following the reopening of the border in July 2021, the country's tourism has gradually flourished and stabilized since the government conducted many activities to promote Maldives tourism in different countries around the world which resulted in a remarkable recovery in tourists arrival compared to other countries in the Asia-Pacific region. While the tourism industry is estimated to exceed the pre-COVID level in 2023 as the government has set a target of attracting 2.0 million tourists next year. An increase of 25% YoY is backed by the operation of a new runway in October 2022 and the forecast of Chinese tourists rebound.

United Kingdom

The strong recovery in the UK has kept its momentum. The growth of economic activity and tourism retrieved again since April 2022 following the high season approaching, allowing us to achieve the highest ADR at the level of 89 GBP in Q3/2022. The RevPAR in the said quarter improved by 22% from the previous quarter due to a higher occupancy rate and ADR at 7% and 9%, respectively. For 9M2022, the RevPAR stood at 48 GBP which is surpass the same period of 2019, pushed by a 19% increase in ADR from the pre-covid level. The Company expects a solid performance towards the festive season.

Even though the year 2023 looks set to be an auspicious year for UK tourism, the prospects for the performance are cautiously optimistic. The challenging inflation environment worldwide, rising energy cost are set to put a damper on the cost side. Consequently, the Company has mitigated the impacts of rising energy prices by hedging the electricity and gas price around 80% of total consumption until the first quarter of 2023, covering the peak usage during winter. Moreover, the Company set the target to boost the average occupancy rate of the UK portfolio to reach a stabilized level of above 70% in 2023. With the strategic location of the Company's hotels in the UK which located in key leisure and economic destination of the regional area together with the recovery of MICE Business, the Company expect to see the steady recovery trend throughout the year 2023.

According to portfolio enhancement through asset rotation strategy including the divestment of underperformed assets and the reinvestment of the proceeds in properties with higher potential. During 2022, the company completed the asset disposal transactions of Mercure Burton Upon Trent Newton Park Hotel and Mercure London Watford for total of GBP 19 million (equivalent to THB 800.7 million). The proceeds from this sale will now be reinvested to uplift other UK properties, including top-performing assets that contribute 60-70% of the UK portfolio's EBITDA. Therefore, the company has set the goal to enhance the average ADR in 2023 to improve by around 5-10%.

Fiji

The prospects of Fiji's tourism have been headed toward a stronger-than-expected recovery since the second quarter of 2022 onwards. The steady recovery reflects strong pent-up demand for intra-regional travel and the obvious selling points of Fiji. According to Asia's travel readiness index, Fiji is ranked number 1 among 28 countries for its favorable conditions for tourism recovery. This reflected to the tourism statistic of September 2022, Fiji received 72,657 visitors which is 89% of arrival levels compared with the same period of a pre-COVID year. While the Company's operating result in Fiji's hotels reflects a strong recovery of the leisure tourism sector. In Q3/2022, our hotels in Fiji achieved at 85% average occupancy Rate and 8% growth in RevPAR from the pre-COVID-19 level. The company expected that the strength of Fiji's hotel operating results will be able to keep positive for the remainder of 2022 and 2023 in line with the government's forecasts. Tourist arrivals are anticipated to reach 85% of 2019 levels in 2023 with positive metrics, showing that visitors to Fiji tend to stay longer and spend more.

Mauritius

For the 1H2022, the hospitality business in Mauritius is still faced challenges, presenting a slower-than-expected recovery pace and lagging behind regional island tourist destinations. However, the tourism sector shows a progressive improvement in the third quarter of the year following the relaxation of measures and resuming of flights' normal operation.

After Mauritius lifted its COVID-19 entry requirements and canceled self-isolation for unvaccinated tourists in July 2022, the number of international arrivals for Q3/2022 increased by 20% from the previous quarter. Consequently, the arrivals for 9M2022 stood at 638,332 visitors, achieving 64% of the year's target.

The tourism sector foresees to grow rapidly throughout the remainder of the year due to the high season approaches. In October 2022, Mauritius received 117,323 visitors, increasing by 45% compared to the previous month. Moreover, we see a positive sign of recovery including an increase in several flights and the average length of stay among those tourists which now go up from 10 days to 14 days. All indicators reaffirm that the forecasted number of travelers for the year 2022 of 1 million people will be reached by the end of the year and will be a key factor to grow our hotel's performance.

Commercial business

The Company continued to focus on the balancing customer portfolio management and the offering of new business models to cope with tenants' changing demand. With the prime location in alternative areas like Vibhavadi and CBD periphery zone such as Prompong and Asoke is perfectly match with the requirement of tenants who seek for the reasonable budget. Aforesaid factors were driving the average occupancy remained solid at 87% in 9M2022. The commercial business is expected to recover in 2023 in response to the resumption of economic activities together with the asset improvement plans. All of the Company's existing properties have been well maintained to ensure their attractiveness and the capability to command ARR rate. Moreover, the launch of S Oasis, the new office building which was designed under the "Hybrid Workplace" concept to support the high flexibility useable area. This mixed-used project has approximately 54,000 square meter net leasable area for office and retail space and will be the key engine to drive the future revenue of commercial business, growing by 20% in 2023.

New Business: Industrial estate and Infrastructure

Investing in industrial estate and infrastructure business will help diversify revenue stream and aligns with the Company's long-term strategy in becoming to be the complete cycle real estate developer. Once combining fourth platform with three existing businesses, universe of related business and investment opportunities would be widened. 'S Angthong' the company's eco-industrial estate project is set out to be World Food Valley for food and related businesses. The project is expected to recognize its first stream of revenue within this year; while the project is expected to be sold out within six years, generating over THB 4,000m, as well as recurring income up to another THB 150m in the long run.

Singha Estate's industrial estate and infrastructure business comprises three parts:

(1) Industrial estate business: The industrial zone included General Industrial Zone, Food Industrial Zone, and Power Plants, considering as the total Saleable Area of 992 rais. With its current progress of development of S Industrial Estate Angthong, the construction progress is still on track and starts land transfer of 70 rais in Q2/2022 with the presales of 10 rais in Q3/2022. Moreover, the Company expects to transfer 20% - 25% of total saleable area per year during the next three year.

(2) Power plant business: Under 30% joint-venture deal, Singha Estate will operate three power plants with more than 400 MW capacity, with licensing 270 MW, or around 70% being under the 25-year-term power purchase agreement with the Electricity Generating Authority (EGAT). B.Grimm Power (Angthong) 1 Company Limited has commenced commercial operation and B.Grimm Power (Angthong) 2 – 3 are under development and expected to start Commercial Operation Date in Q4/2023. The company will recognize the revenue through profit-sharing with a business partner.

(3) Infrastructure business: Covering power generation business, energy, engineering services, service providing, and innovation-related businesses.

Performance Summary

Consolidated Statement of Comprehensive Income

	Q3/2021		Q3/2022		% Y-o-Y	9M2021		9M2022		% Y-o-Y
	THB m	%	THB m	%		THB m	%	THB m	%	
Revenue from sales of real estate	436	21%	0	0%	-100%	1,569	30%	1,419	17%	-10%
House and condominium units	*436*	*21%*	*0*	*0%*	*-100%*	*1,569*	*30%*	*1,222*	*14%*	*-22%*
Industrial Estate	*0*	*0%*	*0*	*0%*	*N/A*	*0*	*0%*	*198*	*2%*	*N/A*
Revenue from rental and services	1,690	79%	2,701	100%	60%	3,576	70%	7,072	83%	98%
Hospitality	*1,422*	*67%*	*2,362*	*87%*	*66%*	*2,769*	*54%*	*6,123*	*72%*	*121%*
Commercial	*238*	*11%*	*256*	*9%*	*8%*	*727*	*14%*	*767*	*9%*	*6%*
Others business	*31*	*1%*	*83*	*3%*	*169%*	*80*	*2%*	*182*	*2%*	*127%*
Revenue	**2,127**	**100%**	**2,701**	**100%**	**27%**	**5,145**	**100%**	**8,491**	**100%**	**65%**
Gross profit	748	35%	1,044	39%	40%	1,501	29%	2,905	34%	94%
Other income	45	2%	108	4%	140%	593	12%	156	2%	-74%
Selling expense	-124	-6%	-127	-5%	2%	-401	-8%	-419	-5%	5%
Administrative expense	-702	-33%	-600	-22%	-14%	-1,713	-33%	-1,761	-21%	3%
Finance costs	-269	-13%	-354	-13%	32%	-842	-16%	-940	-11%	12%
Net gains on exchange rate	10	0%	25	1%	157%	-22	0%	34	0%	251%
Share of loss from investment in joint ventures	19	1%	11	0%	-44%	196	4%	47	1%	-76%
EBT	**-272**	**-13%**	**108**	**4%**	**140%**	**-687**	**-13%**	**22**	**0%**	**103%**
Income tax expense	-47	-2%	14	1%	130%	10	0%	38	0%	-275%
Profit (loss) for the period	**-318**	**-15%**	**121**	**4%**	**138%**	**-677**	**-13%**	**60**	**1%**	**109%**

EBITDA	**351**	**16%**	**748**	**28%**	**113%**	**1,096**	**21%**	**1,835**	**22%**	**67%**
Normalized EBITDA (1)	**314**	**15%**	**727**	**27%**	**131%**	**683**	**13%**	**1,838**	**22%**	**169%**
Normalized Profit for the period after NCI (1)	**-311**	**-15%**	**100**	**4%**	**132%**	**-1,114**	**-22%**	**62**	**1%**	**106%**

Note:Excluded professional fees, land transfer fees, sales & marketing expenses for the launch of new residential projects, unrealized gain from foreign exchange rate on convertible bond, gain from fair value adjustment on investment properties, loss from impairment, gain from fair value adjustment on investment in joint venture company prior to becoming the Company's subsidiary and impact from disposal of the Company's subsidiary

Revenue from sales of house and condominium units

As of 30 September 2022, the Company and its subsidiaries has developed 6 residential projects for sales including single-detached houses and condominiums, valued at THB 26,810m[1]. In 9M2022, Revenue from sales of house and condominium units reached THB 1,222m, decreased from THB 1,569m in the same period of previous year. This was mainly from the recognized revenue from The ESSE Asoke and The ESSE at Singha Complex which already fully completed in Q1/2022 and the delay of ownership transferring for some land plot at Santiburi The Residences to the beginning of next year.

Residential projects for sales as of 30 September 2022 [1]:

Project	Project value (THB m)	Sold	Transfer
The ESSE Asoke	4,612	100%	100% (of project value)
The ESSE at Singha Complex	4,211	100%	99% (of project value)
The ESSE Sukhumvit 36	5,895	76%	63% (of project value)
Santiburi The Residences	5,188	100%	n/a[2]
Siraninn Residences	2,908	95%	Q4/2022
The EXTRO	3,996	23%	Q1/2024

Note:[1] Information provided in the table excludes Sukhumvit 43 project with project which is under development

[2] The project value for Santiburi The Residences is comprised of the land transfer and the house construction which will be gradually booked based on the work progress during the 14-month period

Revenue from sales of industrial area

The Company reported revenue from sales of industrial area in an amount of THB 198m for 9M2022 which partially came from the total purchasing price of THB 302m from the land transfer in S Industrial Estate Angthong in June 2022.

Revenue from rental and services

Revenue from rental and services represents revenue from hospitality business, commercial and other businesses.

Hospitality Business

Total revenue from sales and services in 9M2022 was recorded at THB 6,123m, which improved over 2 times from the same period of 2021. The increase was attributed to the solid performance of Project CROSSROADS Phase 1 hotels which held a strong occupancy rate at 67% with an increase in ADR by 41% from the same period last year. At the same time, the UK Portfolio was able to maintain the occupancy rate at 59% in 9M2022 with higher ADR of 10% from the same period last year. Moreover, the Company foresees the great momentum in travel demand in Fiji, Mauritius, and Thailand, followed by the reopening of borders to international travelers, bringing up the revenue from Thailand and Outrigger hotels to THB 1,677m or increased over 11 times from the same period last year. This reflects a positive signal to future revenue growth which can be substantial when the tourism sector recovers to surpass the pre-pandemic level and international flights resume their normal schedule.

Operating performance of Hospitality business

Hotels	Q3/2021	Q3/2022	9M2021	9M2022
Self-Managed Hotels[1]				
Number of hotel	5	5	5	5
Number of key	657	657	657	657
% Occupancy	14%	55%	13%	47%
ADR (THB)[2]	2,440	4,911	2,700	4,897
RevPAR (THB)[2]	346	2,676	342	2,322
Outrigger Hotels[1]	**โรงแรม Outrigger**[1]			
Number of hotel	3	3	3	3
Number of key	499	499	499	499
% Occupancy	7%	78%	7%	58%
ADR (THB)[3]	1,960	7,708	2,216	7,281
RevPAR (THB)[3]	128	6,014	164	4,243
Project CROSSROADS - Phase 1 Hotels				
Number of hotel	2	2	2	2
Number of key	376	376	376	376
% Occupancy	57%	61%	56%	67%
ADR (THB)[4]	9,954	12,895	8,800	13,481
RevPAR (THB)[4]	5,640	7,839	4,931	8,993
UK Portfolio Hotels				
Number of hotel	28 [6]	27 [6]	28 [6]	27 [6]
Number of key	2,990 [6]	2,940 [6]	2,990 [6]	2,940 [6]
% Occupancy	68%	69%	46%	59%
ADR (THB)[5]	3,664	3,801	3,301	3,496
RevPAR (THB)[5]	2,489	2,622	1,517	2,062

Remark:

(1) SHR terminated the Hotel Management Agreement with Outrigger and employed a Self-managed platform in 3 out of 6 Outrigger hotels in 2021

(2) The exchange rate applied for translation in 9M2021 was 31.51 THB/USD while that in 9M2022 was 34.26 THB/USD

(3) The exchange rates applied for translation in 9M2021 were 15.32 THB/FJD, 0.77 THB/MUR while those in 9M2022 were 15.97 THB/FJD, 0.78 THB/MUR

(4) The exchange rate applied for translation in 9M2021 was 31.51 THB/USD while that in 9M2022 was 34.62 THB/USD

(5) The exchange rate applied for translation in 9M2021 was 43.65 THB/GBP while that in 9M2022 was 43.47 THB/GBP

(6) The change in number of keys (50) keys came from the sold of Mercure Burton upon Trent Newton Park Hotel

Commercial Business

As of 30 September 2022, the Company owned 4 commercial buildings providing net leasable area 139,708 sq.m. in total. Revenue generated from commercial business in Q3/2022 was THB 256m, increased 8% from Q3/2021. For the nine-month period of 2022 amounted to THB 767m, increased 6% from the same period last year. Major driver of the growth was an increase in rental rate, representing the discount given to tenants in 2021due to the impact of COVID-19 pandemic. As well as an increase in occupancy rate of S Metro after its rebranding and renovation. This reflected the Company's efficiency in managing assets and the effective selection of the target customers, focusing on high-growth industries led to the potential expanding of the business and rental space in the long run.

Operating performance of Commercial business

Building	Q3/2021	Q3/2022	9M2021	9M2022
Suntower				
Space for rent (sq.m.)	63,786	63,673	63,786	63,673
Occupancy rate (%)	83%	82%	85%	83%
Singha Complex				
Space for rent (sq.m.)	58,927	58,927	58,927	58,927
Occupancy rate (%)	94%	92%	95%	93%
S Metro				
Space for rent (sq.m.)	13,677	13,677	13,677	13,677
Occupancy rate (%)	83%	93%	83%	92%

Other businesses

Other businesses, covering construction service and project management service, generated revenue at THB 83m in Q3/2022, improved from THB 31m in Q3/2021. For the nine-month period of this year amounted to THB 182m, jumped from THB 80m for the same period last year due mainly to an increase in revenue from business management service.

Gross Profit

Gross profit for Q3/2022 reported at THB 1,044m, increased 40% from THB 748m for the second quarter of the previous year. Compared to the second quarter of 2022, the gross profit improved by 3% in term of value and the gross profit margin stood at 39%, increased from 36% in the previous quarter. This was represented the higher economy of scales, driven by higher occupancy rate of UK Portfolio and two hotels in Fiji. For the nine-month period of 2022 amounted to THB 2,905m, improved from THB 1,501m and the gross profit margin was at 34%, increased from 39% for the same period last year. The higher gross profit mainly derived from the performance and the fabulous margin of hospitality business.

Selling and Administrative Expenses

In Q3/2022, the Company reported selling and administrative expenses amounted to THB 727m, declined 12% from THB 826m in Q3/2022. This was mainly from the fully operation of hotel properties which resulted in the recognition of depreciation as costs of services in 2022. While it was uneven reclassified to admin expenses during the temporarily closure in 2021. In addition, the decline in % SG&A to revenue reflected the efficient resource utilization. For 9M2022 amounted to THB 2,180m, increased 3% from THB 2,113m for the same period last year. The increase was represented the consolidating of UK Portfolio hotels (FS JV) into the Company's consolidated financial statement. At the same time, the higher number of hotels operating in 9M2022 came from the Company had temporarily closed some hotels last year. However, compared to the increasing in revenues from sales and services, the proportion of increase for the administrative expenses is lower than the increased in revenues as a result of the good management of cost and expenses to match with the current situation.

Finance Costs

The Company reported finance costs at THB 354 in Q3/2022, increased from THB 269m in Q3/2021. The finance cost of 9M2022 was at THB 940m, increased from THB 842m for the same period last year due to the additional borrowings incurred from the acquisition of FS JV. The interest rate started to increase since beginning of year 2022, especially the USD LIBOR rate. However, the Company already mitigated the risk by hedging foreign currency loan which will limit the impact to the Company's performance.

Net Profit (loss)

In Q3/2022, the Company announced a net profit (attributable to Owners of the parent) of THB 44m, reversed from loss of THB 212m in Q3/2021. For the nine-month period of 2022 was at THB 98m, reversed from loss of THB 238m for the same period last year. This was primarily due to the gradually rebound of business and the effective cost management.

Financial Position and Capital Structure

Unit: THB m	31 December 2021	30 September 2022	Change
Cash and cash equivalent	2,698	2,863	166
Inventories	1,876	934	-942
Current assets	12,181	13,710	1,528
Investment property	18,096	18,795	699
PPE - net	29,498	30,287	789
Non-current assets	53,809	56,282	2,473
Total Assets	**65,990**	**69,992**	**4,001**
Current liabilities	11,070	9,236	-1,835
Non-current liabilities	33,022	37,335	4,313
Total liabilities	**44,092**	**46,571**	**2,479**
Total equity	**21,898**	**23,421**	**1,523**
Interest-bearing debt excluding lease liability	27,941	30,619	2,678
Gearing ratio (times)	1.28x	1.31x	
Net gearing ratio (times)	1.15x	1.19x	

As at 30 September 2022, the Company reported total assets of THB 69,992m or increased by 6% from 31 December 2021, including (1) Current assets in an amount of THB 13,710m, increased THB 1,528m from the ending of last year. This was mainly due to an increase in cost of property development from construction and development costs of Siraninn Residences project and new housing projects land purchase. Even though the inventories decline THB 942m from the revenue recognition of The ESSE Asoke and The ESSE at Singha Complex (2) Non-current assets in an amount of THB 56,282m, increased THB 2,473m from the progress of S-OASIS construction and deposits for land acquisition. Total liabilities stood at THB 46,571m increased by 6%. The interest bearing debt of THB 30,619m, suggesting the gearing ratio at 1.19x which well below the Company's covenant.

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