Singha Estate Public Company Limited
Management Discussion and Analysis Full Year 2022

Executive Summary

The Company announced the enhancement of total revenue for the year 2022 of THB 12,530m, increased by 62% from the previous year. For the year 2023, we expect the resumption of economic activities, supported by a revenue growth of tourism and service sectors. Furthermore, household expenditure is predicted to expand in line with its income together with the investment from private sector. While the export momentum continued to slow, following the global economic slowdown.

The revenue from sales of real estate amounted to THB 2,554m in 2022, comprising of (1) the revenue from sale houses and condominium units amounted to THB 2,357m which separated to condominium 36% and landed properties 64% of total sale. The revenue improvement of 11% from the previous year was mainly from the revenue recognition of the new housing project, "SIRANINN Residences Pattanakarn" which starting transfer since November 2022. (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. The Company estimates the accelerated transferred activities of the landed properties and industrial land on the back of strong demand in housing projects along with the recovery of business activities and investment.

In addition, the revenue from rental and services in an amount of THB 9,976m improved by 77% from the last year, brought up by the remarkable performance of hospitality business particularly during the second half of 2022. The recording of positive bottom line for 2nd consecutive quarter emphasized the gradual rebound in tourism industry to normal conditions. Accordingly, revenue from hospitality business reported at THB 8,693m, improving by 93% from 2021. Moreover, revenue generated from commercial business in 2022 amounted to THB 1,014m, increased 5% YoY mainly from the higher average rental rate amidst the challenging situation.

The Company reported net profit of THB 490m, reversed from loss of THB 137m for 2021. This was mainly attributed to the strong turnaround of hospitality business, the profit recognition from transfer of SIRANINN Residences and sale industrial area, combined with the effective cost management.

Residential business

During the period, the Company recorded revenue from sale houses project in an amount of THB 1,511m, comprising of (1) Land transfer of 6 plots at Santiburi the Residences, making the backlog of 7 land plots or accounted for 28% of total unit (2) Detached houses transfer of 7 plots at SIRANINN Residences, making the backlog of 21 land plots or accounted for 75% of total unit and (3) Home office transfer of 1 plot at SENTRE project, making the backlog of 3 land plots or accounted for 75% of total unit. Consequently, the backlog pending for transfer as of 31 December 2022 amounted to THB 4,007m. The Company expects to realize revenue from the ownership transfer approximately 70% of total backlog in 2023.

The success of SIRANINN Residences, the second housing project of the Company could attract the customer interest. Reaching the higher-than-expected presales resulted in the revenue from sales of over THB 830m after the second month of starting transfer. This achievement will extend into the future single detached house projects to leverage brand equity. The new housing series will push forward Singha Estate to be a leader in luxury housing developers, tapping into the wider segmentation. The housing segments and its price range including:

Brand	Segment	Price range
Santiburi the Residences	Ultra Luxury	More than THB 200 million per unit
SIRANINN Residences	Super Luxury	THB 50 - 100 million per unit
Brand to be launched in 2023	Premium Luxury	THB 30 - 50 million per unit
Brand to be launched in 2023	Luxury	THB 15 - 30 million per unit

Under the market response approaches, the Company adjusted its plan by penetrating the markets with different pricing strategies to align with the overall spending capability and focusing on the segment which has relatively less sensitive to the economic conditions among others. The Company unveils its plan to develop new 5 housing projects, bringing target project values up to THB 10 billion in 2023. The focus lies on new housing projects will concentrate on luxury housing segmentation which is considered as the Company's expertise. Moreover, the Company is confident on Singha Estate's development potential that reiterate the brand's quality that sets it out from competitors and ensure that Singha Estate's projects can truly fulfill the needs of the Luxury market. According to the current progress of development, the construction is still on track and the Company sets target to transfer ownership of housing projects by 2023, pushing the revenue of residential business to significantly improve from the previous year.

With respect to high-rise projects, the Company had consistently completed 100% unit transfer of The ESSE Asoke and The ESSE at Singha Complex, realized the revenue in an amount of THB 846m in 2022. While The Extro held backlog pending for transfer of 23% of total project value, expected to start transfer from Q1/2024 onwards. The presale and transfer activities of The ESSE Sukhumvit 36 continued to grow during the period, making the presale and total accumulated transfer of 77% and 67% of the 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.

Signs of recovery in the tourism sector were reflected in the increase in the number of international travellers and the rising revenue of tourism in many countries by the number of tourists. Globally, more than 900 million people travelled abroad, more than doubling from 2021 or equivalent to 63% of 2019 pre-COVID-19 levels. Nevertheless, the revenue generated from tourism was recovering faster than the recovery in the number of tourists in many regions. This benefited from the longer length of stay, higher willingness to spend from travellers, and greater expenses for transportation and accommodation, derived from the inflation. In addition, several destinations have report tourism income that exceeded 2019 levels.

For 2023, the United Nations World Tourism Organization (UNWTO) forecasts a sequential recovery based on strong expenditures recorded in 2022. Besides, there was an increase in travellers from emerging markets such as France, Germany and Italy, Qatar, India and Saudi Arabia, which shows accelerate growth in occupying a market share in 2022, along with catalysts factors in 2023 from the lifting of travel restrictions in Asian countries. Especially China, which occupied the most significant global market share in 2019, will significantly affect the recovery of the tourism sector at the global scale, particularly in Asia. Regardless, economic retardation and geopolitical conflicts may affect the destination choice of tourists who contemplate value-seeking and domestic travel between regions to rapid respond to challenges posed by economic conditions.

Thailand

Thailand's tourism began to grow in the fourth quarter of 2022 due to the country's opening up and the government's tourism stimulus measures. As a result, the number of foreign tourists travelling to Thailand in 2022 reached 11.1 million people, mainly tourists from neighbouring countries. The top 3 were Malaysia, India and Laos, respectively, representing a 25 times increase from 2021. While in 2023, the Tourism Authority of Thailand expects that there will be at least 25 million foreign tourists visiting Thailand, doubling from the previous year. It accounted for 62% of foreign tourists travelling to Thailand in 2019. The driving factor for such growth was the return of Chinese tourists. According to the abovementioned factors, combined with the company's hotel management efficiency in Thailand. At the same time, our properties were located in the Prime Location of major tourist attractions in Phuket, Phi Phi Island and Koh Samui, the top destinations for foreign tourists. Therefore, the average revenue per available room per night (RevPAR) of the company's hotels in Thailand in the fourth quarter of 2022 successfully recovered to pre-COVID19 levels. The acceleration of the recovery affects the performance of the company's hotels which has improved exponentially in 2023, with the occupancy rate recovering to the pre-COVID-19 level. While the average daily room rate is plausible to increase over 2019, which was supported by the positive feedback on adopting the SAii brand concept to the company's self-managed hotels. Enable to benefit from an increase in the proportion of revenue from direct booking.

Republic of Maldives

For 2022, Maldives saw a 30% YoY visitor growth at 1.7 million. Which successfully bounced back to a level close to the pre-Covid19 level, regardless the resumption of Asian tourists, especially the Chinese. The top 3 tourists, with a market share of around 40%, were from India, Russia and the United Kingdom, respectively. The number of foreign tourists entering the Republic of Maldives is expected to be approximately 1.8 million, presenting 6% higher than the pre-COVID-19 level. Tourists from the European zone, led by the UK, Germany and Italy, were expected to travel mainly to the Maldives, followed by tourists from India and Russia. The return of Chinese tourists to travel abroad after the government announced the country's opening is another essential stimulus. Because Chinese tourists occupied up to 20% of the tourism market in the Maldives in 2019, the performance of hotels in the CROSSROADS project. The occupancy rate in 2022 was 66%, which was higher than the industry average of 59%. The company's main customers were tourists from the UK, Russia, and the United States, accounting for 24%, 20% and 15%, respectively, reflecting the hotel's strength in attracting high-spending tourists and increasing the ADR up to 28% from the previous year. For 2023, the occupancy rate and average daily rate were expected to continue to grow. This was driven by a proactive marketing plan, focusing on the customers' quality to maximize the Market Mixed and managing the efficient ADR. Along with the product upgrade scheme to uplift the properties to better match the current trend in tourism.

United Kingdom

For 2022, UK tourism continues to recover due to strong demand from the domestic tourism sector. The economic and tourism activities have grown significantly since April 2022. This allowed the company's hotels in the UK (UK Portfolio) to boost the average revenue per room per night (RevPAR) to 48 GBP in 2022, accounted for an increase of 30% from the previous year. It was surpassing the pre-COVID-19 level, with the highest ADR of 89 GBP. The great momentum is predicted to continue towards 2023, mainly driven by the recovery of the occupancy rate. Moreover, the company aims to increase the occupancy rate to beat a stable level of at least 70%. Nevertheless, all of the company properties in the UK portfolios were operated in the mid-scale to the upper scale, located in the tourist attractions and major economic cities that heavily depend on domestic tourism demand. Accounting for approximately 90% of the total number of hotel guests. Therefore, we are confident in the prospects for strong growth in tourism demand despite the headwind of economics conditions.

Over the past year, the UK tourism industry has been affected by the inflation in energy costs, wages and food costs. However, the company estimates that hotel operating costs in the UK peaked in the third quarter of 2022 as energy costs have gradually decreased. Even though food costs remain at the high level, the company focuses on cost management by increasing the workforce rate to correspond with the occupancy rate and the ability to adjust room and food prices to reflect variable costs. In addition, the company closely monitor and consider to enter into hedging contracts to mitigate its exposure to future cost of electricity and natural gas which are the company's major energy cost, at the right level and time. Together with the prioritizing management measures and closely controlling operating costs.

Republic of the Fiji Islands

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. The number of foreign tourists entering the country in 2022 achieved the goal of 600,000 people, reflecting an increase of more than 18 times from 2021 and 70% compared to 2019. However, tourist growth acceleration has been signalled since July 2022. Consequently, almost 0.8 million international tourists are expected to visit Fiji in 2023. An 85% recovery to the year 2019 was backed by the upward trend of travel demand. Along with the current popularity of tourism, which focuses more on the leisure tourism sector. The majority of foreign visitors entering the country are those from Australia, New Zealand and the Americas, which account for 90% of Fiji's market share. For the performance of the two hotels in the Republic of Fiji, which are a hotel with characters that directly respond to the leisure tourism sector. High repeat occupancy rate and the strength of our partner distribution channels. Those supportive factors played an important role to drive the overall performance of the Company's hotels, which stand out from the industry. An average daily room rate (ADR) in 2022 increased to 504 Fiji dollars, rising by 11% compared with the pre-pandemic level. It also recorded its highest operating profit since the acquisition in late 2018. The substantial tourism volume, positive signs for longer stays, and rising tourist expenses will catalyse RevPAR in 2023 to increase significantly, particularly Castaway Fiji. However, Outrigger Fiji Beach showed only marginal performance improvements, which were affected by the gradual closure of some inventory for the hotel's renovation according to the uplifting program.

Republic of Mauritius

In early 2022, the Republic of Mauritius faced challenges from the epidemic of the Omicron virus, and the airline's service has not returned to normal situation. Hence, in the first half of the year, the recovery of the tourism industry of the Republic of Mauritius was slower compared to other island-like tourist destinations. However, the quarantine measures for foreigners have been lifted, and the country fully opened from July 1, 2022. The number of foreign tourists vacationing in Mauritius in 2022 almost exceed 1 million people, represented 72% compared to 2019 and a 455% growth from 2021. The top three tourists, with around 48% market share, were from France, UK and Germany. In 2023, the number of foreign tourists travelling to the Republic of Mauritius is expected to exceed 1.4 million, at least 1% increase from 2019. Although the average revenue per room per night (RevPAR) of Mauritius hotels in 2022 has remained at the same pre-COVID-19 levels. But given the acceleration in July, the Outrigger Mauritius hotel's operating performance is expected to improve considerably in 2023. The occupancy rate tends to recover closer to the period before COVID-19. While the average daily room rate (ADR) tends to increase higher than in 2019, backed by the strong demand of leisure travel.

Commercial business

The company foresees the recovery trend of the Grade A buildings in areas that are highly accessible to transportation to anticipate a rapid recovery, compared to other segments. With respect to the new working culture and higher standards for hygiene, tenants were seeking more space usage per person and considering of moving to a high-quality office building in a prime location to promote a good working environment. Furthermore, the office buildings with LEED-certified, a flexible workspace, decoration and renovation have become necessary for office buildings to attract tenants. Despite the challenging circumstances of the office building market from the impact of the new supply of office buildings into the market consistently which put a pressure on the occupancy and the rental rate.

To counteract the situation prior mentioned, the company has committed to reinvigorating the design and development of the S OASIS project to be the latest office building integrated Hybrid Workplace that provides high working flexibility. The usable area can be adjusted to meet the needs of the tenants. The S OASIS building is located in a high potential area. The design adheres to LEED standards (Leadership in Energy & Environmental Design), prioritising energy conservation and environmental issue, an essential component of office buildings that will be an alternative for tenants. Therefore, S OASIS is a grade A office building with a leasable area of approximately 54,000 square meters. This will be the main engine of revenue growth for commercial businesses to increase by 20% in 2023. According to the current progress of leasing space, the occupancy rate for retail space has reached about 90% and for office space has secured a contract with the anchor tenants for approximately 10%, which will cause a positive impact on the rapid pace of ramping up in the next phase.

All of the Company's existing properties have been well maintained to ensure their attractiveness. 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 86% for the year 2022. The company targets to boost up the occupancy rate of commercial building to 90% in 2023, brought up by the resumption of economic activities. Together with the asset improvement plans and the proactive marketing strategy adaptation.

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 with the recurring income from share of gain of power and steam generation business.

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

(1) Industrial estate business: The revenue stream is comprised of the revenue from sale industrial area, the facilities management fee, and income from warehouse rental space. 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 the accelerate growth of transfer activities on the back of fully opening border, confidence in economic recovery and the government stimulus measures. The Company targets to transfer during the next three year of 20% - 25% of total saleable area per 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.

Consolidated Statement of Comprehensive Income

	Q4/2021		Q4/2022		% Y-o-Y	2021		2022		% Y-o-Y
	THB m	%	THB m	%		THB m	%	THB m	%	
Revenue from sales of real estate	545	21%	1,135	28%	108%	2,114	27%	2,554	20%	21%
House and condominium units	*545*	*21%*	*1,135*	*28%*	*108%*	*2,114*	*27%*	*2,357*	*19%*	*11%*
Industrial Estate	*0*	*0%*	*0*	*0%*	*N/A*	*0*	*0%*	*198*	*2%*	*N/A*
Revenue from rental and services	2,050	79%	2,904	72%	42%	5,626	73%	9,976	80%	77%
Hospitality	*1,743*	*67%*	*2,570*	*64%*	*47%*	*4,512*	*58%*	*8,693*	*69%*	*93%*
Commercial	*238*	*9%*	*247*	*6%*	*4%*	*965*	*12%*	*1,014*	*8%*	*5%*
Others business	*68*	*3%*	*87*	*2%*	*28%*	*149*	*2%*	*269*	*2%*	*81%*
Revenue	**2,595**	**100%**	**4,038**	**100%**	**56%**	**7,739**	**100%**	**12,530**	**100%**	**62%**
Gross profit	**972**	**37%**	**1,569**	**39%**	**61%**	**2,473**	**32%**	**4,474**	**36%**	**81%**
Other income	-16	2%	69	2%	527%	577	7%	225	2%	-61%
Selling expense	-169	-7%	-199	-5%	18%	-570	-7%	-618	-5%	8%
Administrative expense	-743	-29%	-805	-20%	8%	-2,456	-32%	-2,566	-20%	4%
Finance costs	-284	-11%	-374	-9%	32%	-1,126	-15%	-1,315	-10%	17%
Net gains on exchange rate	4	0%	-10	0%	-343%	-18	0%	24	0%	230%
Share of loss from investment in joint ventures	51	2%	48	1%	-5%	247	3%	95	1%	-61%
EBT	**-186**	**-7%**	**298**	**7%**	**261%**	**-873**	**-11%**	**320**	**3%**	**137%**
Income tax expense	166	6%	-404	-10%	344%	176	2%	-366	-3%	308%
Profit (loss) for the period	**69**	**3%**	**411**	**10%**	**497%**	**-608**	**-8%**	**471**	**4%**	**177%**

EBITDA	**466**	**18%**	**1,498**	**37%**	**222%**	**1,562**	**20%**	**3,333**	**27%**	**113%**
Normalized EBITDA (1)	**582**	**22%**	**1,085**	**27%**	**86%**	**1,265**	**16%**	**2,923**	**23%**	**131%**
Normalized Profit for the period after NCI (1)	**-67**	**-3%**	**267**	**7%**	**500%**	**-1,181**	**-15%**	**329**	**3%**	**128%**

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 31 December 2022, the Company and its subsidiaries has developed 7 residential projects for sales including single-detached houses and condominiums, valued at THB 26,908m[1]. In 2022, revenue from sales of house and condominium units reached THB 2,357m, increased by 11% from THB 2,114m in 2021. 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 ownership transferring at Siraninn Residences in Q4/2022. In the said quarter, revenue from sales of house amounted to THB 1,135m, doubling growth from the same period last year. This was mainly attributed to transfer of Siraninn Residences and SENTRE Pattanakarn 32 in an amount of THB 861m.

Residential projects for sales as of 31 December 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%	100% (of project value)
The ESSE Sukhumvit 36	5,901	77%	67% (of project value)
Santiburi The Residences	5,188	100%	n/a[2]
Siraninn Residences	2,908	95%	29% (of project value)
SENTRE	92	52%	29% (of project value)
The EXTRO	3,996	23%	Q1/2024

Note:[1] Information provided in the table excludes the under development projects.

[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 2022 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 Q4/2022 was recorded at THB 2,570m, which improved by 47% from the same period of 2021. For 2022, revenue from sales and services amounted to THB 8,693m, up by 93% from 2021. The increase was attributed to the solid performance of Project CROSSROADS and UK Portfolio which recorded revenue growth at 50% in each portfolio. Key driver of both portfolio came from the highest ADR since its starting of operations. The remarkable performance of Outrigger hotels also played an important role in driving the Company revenue. The revenue of Outrigger hotels increased by THB 1,200 million compared to prior year, or grow by 7 times on the back of strong demand of tourism in Fiji. Moreover, self-managed hotels in Thailand recorded an increase in revenue by THB 800 million, in tandem with the recovery of tourism industry, pushing the occupancy to ramp up to 57%. Together with the efficiency improvement as mentioned earlier and the good feedback on implementing the SAii brand concept into the self-managed hotels led to an increase in ADR of 68%.

Operating performance of Hospitality business

Hotels	Q4/2021	Q4/2022	2021	2022
Self-Managed Hotels(1)				
Number of hotel(1)	4	4	4	4
Number of key(1)	604	604	604	604
% Occupancy	30%	72%	19%	57%
ADR (THB)	4,268	7,435	3,402	5,709
RevPAR (THB)	1,298	5,346	634	3,237
Outrigger Hotels(1)				
Number of hotel	3	3	3	3
Number of key	499	499	499	499
% Occupancy	31%	80%	13%	64%
ADR (THB) (2)	6,760	7,304	4,890	7,296
RevPAR (THB)(2)	2,111	5,811	656	4,638
Project CROSSROADS - Phase 1 Hotels				
Number of hotel	2	2	2	2
Number of key	376	376	376	376
% Occupancy	63%	63%	58%	66%
ADR (THB)(3)	13,944	16,123	10,197	14,120
RevPAR (THB)(3)	8,796	10,185	5,895	9,293
UK Portfolio Hotels				
Number of hotel(5)	28	27	28	27
Number of key(5)	2,990	2,940	2,990	2,940
% Occupancy	57%	63%	49%	60%
ADR (THB)(4)	3,511	3,421	3,373	3,476
RevPAR (THB)(4)	2,015	2,145	1,663	2,083

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; Excluded Konotta Maldives which is temporarily closed

(2) The exchange rates applied for translation in 2021 were 15.45 THB/FJD, 0.77 THB/MUR while those in 2022 were 16.01 THB/FJD, 0.80 THB/MUR

(3) The exchange rate applied for translation in 2021 was 31.98 THB/USD while that in 2022 was 35.06 THB/USD

(4) The exchange rate applied for translation in 2021 was 43.99 THB/GBP while that in 2022 was 43.26 THB/GBP

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

Commercial Business

As of 31 December 2022, the Company owned 5 commercial buildings providing net leasable area 193,594 sq.m. in total. Revenue generated from commercial business in Q4/2022 was THB 247m, increased 4% from Q4/2021. For 2022 amounted to THB 1,014m, increased 5% from last year. Major driver of the growth was an increase in rental rate, representing the discount given to tenants in 2021 due 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	Q4/2021	Q4/2022	2021	2022
Suntower				
Space for rent (sq.m.)	63,786	63,673	63,786	63,673
Occupancy rate (%)	83%	80%	84%	82%
Singha Complex				
Space for rent (sq.m.)	58,927	58,927	58,927	58,927
Occupancy rate (%)	94%	90%	94%	92%
S Metro				
Space for rent (sq.m.)	13,677	13,677	13,677	13,677
Occupancy rate (%)	84%	93%	83%	92%

Other businesses

Other businesses, covering construction service and project management service, generated revenue at THB 87m in Q4/2022, improved from THB 68m in Q4/2021. For the year 2022 amounted to THB 269m, jumped from THB 149m for last year due mainly to an increase in revenue from construction and business management service.

Gross Profit

Gross profit for Q4/2022 reported at THB 1,569m, increased 61% from THB 981m for the fourth quarter of the previous year. In term of margin, the gross profit margin stood at 39%, increased from 37% in the same period last year. For the year 2022 amounted to THB 4,474m, improved by 81% from THB 2,473m and the gross profit margin was at 36%, increased from 32% for the previous year. This was represented the lower proportion of costs of service to sales and the fabulous margin of hospitality business from the economy of scale.

Selling and Administrative Expenses

In Q4/2022, the Company reported selling and administrative expenses amounted to THB 1,003m, increased 10% from THB 912m in Q4/2022. This was mainly from business resumption. In addition, the decline in % SG&A to revenue reflected the efficient resource utilization. For 2022 amounted to THB 3,183m, slightly increased 5% from THB 3,026m for the previous year. The increase was represented the consolidating of UK Portfolio hotels (FS JV) into the Company's consolidated financial statement for an entire year, compared with 10-month recognition after acquisition in 2021. At the same time, the higher number of hotels operating in 2022 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.

Fair Value adjustment of investment properties

The company realized the fair value adjustment of investment properties in the fourth quarter and for the year 2022 in an amount of THB 517m which mainly from the revaluation of S OASIS building. While in the fourth quarter and for the year 2021 amounted to THB 89m which mainly from the revaluation of S Metro and Suntowers building.

Finance Costs

The Company reported finance costs at THB 374 in Q4/2022, increased from THB 284m in Q4/2021. The finance cost of 2022 was at THB 1,314m, increased from THB 1,125m 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 Q4/2022, the Company announced a net profit (attributable to Owners of the parent) of THB 392m, strong rebounded from THB 100m in Q4/2021. For the year 2022 was at THB 490m, reversed from loss of THB 137m for the prior year. This was primarily due to the gradually rebound of business and the effective cost management.

Unit: THB m	31 December 2021	31 December 2022	Change
Cash and cash equivalent	2,698	3,422	725
Inventories	1,876	763	-1,113
Current assets	12,181	13,983	1,801
Investment property	18,096	19,720	1,624
PPE – net	29,498	28,820	-679
Non-current assets	53,809	54,827	1,018
Total Assets	**65,990**	**68,810**	**2,820**
Current liabilities	11,070	9,984	-1,087
Non-current liabilities	33,022	36,221	3,199
Total liabilities	**44,092**	**46,196**	**2,104**
Total equity	**21,898**	**22,606**	**708**
Interest-bearing debt excluding lease liability	27,941	29,866	1,925
Gearing ratio (times)	1.28x	1.32x	
Net gearing ratio (times)	1.15x	1.17x	

As at 31 December 2022, the Company reported total assets of THB 68,810m or increased by 4% from 31 December 2021, including (1) Current assets in an amount of THB 13,983m, increased THB 1,801m 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, S Industrial Estate Angthong and new housing projects land purchase. Even though the inventories decline by THB 1,113m from the revenue recognition of The ESSE Asoke and The ESSE at Singha Complex (2) Non-current assets in an amount of THB 54,827m, increased THB 1,018m from the completed construction of S-OASIS building.

Total liabilities stood at THB 46,196m increased by 5% from 31 December 2021 from the drawdown facility to support future projects. The interest bearing debt raised to THB 29,866m despite an increase in total equity. The gearing ratio consequently grew to 1.17x which well below the Company's covenant.

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