

### **Economy**

The Bank of Thailand (BOT) forecasts that the Thai economy will grow by 3.6% in 2023 and 3.8% in 2024 (revised from 3.7% and 3.9% respectively from the previous expectation due to the highly uncertain global economic outlook). Growth will be driven by a stronger recovery in tourism both from foreign and domestic tourists. Foreign tourist arrivals are expected to reach 25.5 million in 2023, and 34 million in 2024. A continued recovery in private consumption, another major contributing factor, along with improvements in employment and labor income will also support growth. The BOT expects headline growth to recover to its target in mid-2023 and will reach 2.9% in 2023 and 2.6% in 2024, respectively.

### **Tourism Industry**

The tourism industry returned to significant growth starting in the third quarter of 2022 after the full reopening of Thailand in the middle of last year and has maintained continuous growth. Chinese tourists began to gradually enter for tourism and business after Chinese authorities announced the reopening of their country and canceled quarantine measures for COVID-19 on January 8, 2023. For 1Q/2023, more than 500,000 Chinese tourists arrived in Thailand, which grew more than 70% than previous forecast which was higher than expected and higher than the number of Chinese tourists in 2022 when only 300,000 people visited. Five million tourists from China are forecast to visit Thailand in 2023, resulting in an overall average occupancy rate in the first quarter of the year of 69.8%<sup>1</sup>.

In addition, the government has developed policies to support the continuous and sustainable growth of the tourism industry, for example “We Travel Together”, Phase 5, at the end of 1Q/2023. This project has been well recognized and will promote and encourage Thai people to travel within the country and generate more income for entrepreneurs in Thailand.

### **Retail and Commercial Industries**

In 1Q/2023, the Retail Business grew slightly from normal economic operations, driven by the tourism sector that has continued to improve, and the growth in agricultural revenue. However, entrepreneurs are concerned about rising

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<sup>1</sup> Economics Tourism and Sports Division

production costs, which may put pressure on product price adjustments. This impacted consumers' purchasing power in 1Q/2023. The government has raised measures to stimulate purchasing power, such as the "Shop Dee Mee Kuen" project by purchasing goods and services during a specified period. This is for personal tax deduction and to boost sales and purchasing power from middle- and upper-income consumers. Government subsidy measures and increased business activities have increased traffic and spending within the shopping centers. Revenue from the retail sector is expected to return to normal in 2024.

The Office Building Business (Commercial) has been improving from the previous year after the economic recovery from the COVID-19 crisis. The business sector has increased employment and therefore demand for office space continues. However, new office space has tended to enter the market more than an increase in rental demand. In addition, there are deteriorating factors from hybrid working, resulting in a decrease in the occupancy rate. Average rent rates are likely to remain stable or slightly increase for newly completed office buildings in the CBD and Grade A areas, but in other areas, it is likely to remain stable or even decrease. There will be continuous demand and a tendency to be an increase in demand for "Green Office" space (which has been certified as meeting green office standards) for multinational companies who targeting to enhance environmental sustainability.

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

For the performance of 1Q/2023, there was strong growth with a net profit of 1,422 million baht, an increase of more than double compared to the same period of last year and higher than 2019 which was the pre COVID-19. As for the revenue according to the Financial Statements, the total amount in 1Q/2023 was 4,785 million baht, an increase of 65.5% YoY, reflecting the implementation of the GROWTH-LED strategy to create effective cash flow growth. For the Hospitality Business, there was continuous growth in all segments. The average Revenue Per Available Room (RevPAR) was 4,152 baht, an increase of 17% compared to 2019. Furthermore, the Company aims to increase operating assets through GROWTH-LED strategy resulting in the current operating assets of 119,859 million baht, or 43.9% increase from 2019.

The Company has implemented a growth-led strategy which can be classified in three stages. The Company’s creating growth in the Near-Term by accelerating the conversion of assets under ramp up stage and repositioning stage to the stable and fully operating MATURE stage. These hospitality assets include Melia Ko Samui, Banyan Tree Krabi, Melia Chiang Mai, Courtyard by Marriott Phuket Town, Westin Siray Bay Resort & Spa Phuket (tentatively to operate under The Ritz Carlton Phuket) etc. Retail and commercial assets include The Empire, Gateway Bang Sue, Gateway Ekamai, Asiatique The River Front Destination, Pantip Plaza @ Ngam Wong Wan and etc. For Medium-term Growth, the Company is accelerating the conversion of assets under development to operating assets, which will increase the EBITDA yield progressively to 2019 levels and to the maturity stage at more than 15% in the future. The projects for this growth are Inside By Melia Bangkok Vignette Collection, Intercontinental Chiang Mai Mai Ping and Kimpton Hua Hin and etc. Long-Term Growth, the company aims to achieve long-term growth through the investment plan under the GOR Agreement with TCC Group while 3<sup>rd</sup> party assets also provide growth opportunities to generate cash flow and strengthen the quality of our portfolio. Currently, there are several projects such as Aquatique by the Beach, Asiatique 2.2, Weong Nakorn Kasem, Lhong Riverside Heritage Destination and etc.

In 1Q/2023, the Company recorded a net profit according to the Financial Statement of 1,422 million baht, a 100.5% YoY increase, supported by significant growth in the Hospitality Business resulting from the country’s reopening in 2022. The first quarter is the travel season continuing from the New Year holiday and the peak season in southern Thailand, resulting in an overall hotel occupancy rate



of 68.1% and an ADR of 6,100 baht per night, a 7.1% QoQ increase and RevPAR at 4,152 Baht per night, an increase of 17% from 2019. The Retail Business's performance also showed the strong growth as tenants returned to shopping centers. In addition, the Company has continuously improved and enhanced its shopping centers to align with the marketing strategy, including partnerships with global partners to attract local and international customers to service the shopping center. Rental discounts for COVID-19 affected tenants were also reduced. The Office Building Business generated stable and sustainable cash flow, and investment properties delivered a solid performance with a fair value gain of 1,220 million baht. The net profit margin was 29.7%, a decrease of 1.1% QoQ from 30.8%, resulting from a decrease in the fair value gain in 4Q/2022.

The Growth-Led Strategies, which will drive the organization and enhance the business potential to grow exponentially.

The Company has confidence in Thailand's tourism potential as a major global destination, so has prepared to accommodate the return of tourists. One of the Company's strategies is to focus on completing the transformation of developing assets to operating assets. In 1Q/2023, the Company uplifted Asiatique The Riverfront by collaborating with global partners as a popular lifestyle travel destination. There is a continuous effort to accelerate the development of the Company's various projects including plans to open Inside by Melia Bangkok Sukhumvit Hotel and InterContinental Chiang Mai Mae Ping Hotel in 2023. In this regard, the Company aims to continuously develop high-quality assets to increase the proportion of operational assets through growth strategies based on the three components as follows.

#### (1) Growth From Development

With a unique business model that generates stable and continuous growth in earnings, the contributing factors are development with scales make it possible to develop quality projects at competitive costs. In the past, projects could be developed at a cost lower than the market at 19%-55%. In addition, the freehold advantage of assets over 90% of the portfolio. This enables the Company to continually develop and enhance quality assets. And it is able to control the cost of renewing the contract.

The Company has assets under development for several projects and it continues to develop projects to generate continuous and sustainable cash flow. The

expected number of hotel rooms in 2023 will be 6,036 rooms increased by 76%, from 3,432 rooms in 2019. High-to-Luxury hotels in prime locations and near tourist attractions remain the Company's key focus. This is to deliver on unserved needs and attract more tourists and target customers to stay. In 2023, the Company plans to open Ininside by Melia Bangkok Sukhumvit Hotel and InterContinental Chiang Mai Mae Ping Hotel. The Company has launched "The Crystal Grill House" and "The Siam Tea Room" to strengthen Asiatique The Riverfront Destination as a world-class tourism destination along the Chao Phraya River,

## **(2) Growth From Ramp-Up Capability**

In 1Q/2023, the Company's overall performance has grown continuously since 3Q/2022 in line with the full reopening of the country. The Hospitality Business has shown exponential growth compared with last year and similar levels with 2019 before the COVID-19 pandemic. In terms of the Retail Business, following the government's lifting of the lockdown, the Company has been able to provide a lower discount rate to retail tenants. In addition, there are ongoing marketing activities to continuously attract more customers to AWC's retail properties. The Office Building Business continues to generate stable and sustainable cash flow for the Company.

The Company's Hospitality Business has grown significantly with a unique business model. This is reflected in the increased number of guests and customers, both from domestic and international markets. Due to the Company's offering of high-quality services and interesting packages to meet the diverse needs of customers, in addition to collaborating with a strong global partner network, there are many channels to reach diverse target customers and meet their needs with a variety of packages. In 1Q/2023, the proportion of direct bookings was 71%, an increase from 66% in 2019. The Company was able to reduce costs on average by over 100 million baht per annum.

With high-quality assets and strategies that meet the needs of the target customer group, the Company is able to quickly capture the first and high-value customers back. Based on the performance compared to the competing hotels in the same group in 1Q/2023, the RGI Index of the Bangkok Marriott Hotel Surawongse was 210.0 and the RGI Index of Courtyard by Marriott Phuket Town and Le Méridien Bangkok were 195.0 and 153.8, respectively.

### **(3) Growth From Repositioning**

For the Hospitality Business, the Company has a continuous plan for development and renovation, collaborating with global partners such as the Imperial Mae Ping Chiang Mai Hotel, developed to InterContinental Mae Ping Chiang Mai, and the Grand Sole Hotel, developed to Vignette Collection Hotel, and Sigma Hotel, developed to Marriott Jomthien Hotel.

For the Retail Business, the Company has collaborated with global partners to attract both Thai and foreign customers to the shopping center by creating new experiences for customers and communities. The Company celebrated the 10th anniversary of Asiatique The Riverfront Destination, creating an 'ALL DAY EVERYDAY HAPPINESS' campaign to meet customers' need to visit happiness every day for everyone. As part of Disney's 100th anniversary, we opened a special Disney100 Village from 24 March to 31 July 2023.

The Office Building Business continued to generate stable and sustainable cash flow for the Company. The Company launched "Co-Living Collective: Empower Future" at 'The Empire', the first and largest of its kind to offer co-living space to tenants, aiming to create a wholly integrated collaborative model of co-living workspace that empowers people to achieve their next levels of success in life, both professionally and personally. In addition, the tenants are international corporates, and the environmentally friendly Grade A office building offer great potential as they are located in prime locations. It has convenient transportation links and uses various technologies to effectively manage the space, including providing full facilities.

### **(4) Growth From Cost Management**

The Company can maintain its leading position in the market by implementing effective cost management initiatives and operational excellence. Consequently, the increase in revenue in each business group of the Company will lead to a greater-than-targeted EBITDA flow-through. For example, in 1Q/2023, Asiatique The Riverfront had EBITDA flow-through at 105% and the Holiday Inn Express Sathorn had EBITDA flow-through at 80%.

The Company is committed to the efficient management of energy resources to achieve its goals of reducing energy consumption and other operational costs. In pursuit of this goal, the Company has installed environmentally friendly solar cells to generate clean energy. Furthermore, to reduce energy consumption, the Company has implemented its Heating, Ventilation, and Air Conditioning (HVAC) technology and coupled it with energy-saving programs, such as the use of LED lights.

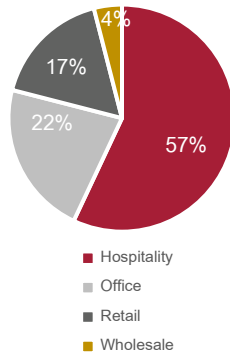
To achieve optimum work process efficiency, the Company has implemented practices which include recognizing high-performing employees and involving all stakeholders, both inside and outside the organization, to set new standards for improving work processes more efficiently.

## SUMMARY OF OPERATING RESULTS

### Total Revenue

According to the Financial Statement, the Company's total revenue in 1Q/2023 was 4,785 million baht, up 65.5% YoY, and grew 30.8% compared to 2019 which was the pre COVID-19, reflecting the implementation of GROWTH-LED strategy to generate efficient cash flow and effectively support the recovery of tourism and economic activities in the country after the returning to normalcy. In this regard, the number of Thai and foreign tourists staying at the Company's hotels has increased significantly, with the proportion of revenue in this group at 57%, mostly from growth in MICE hotels and Non-Bangkok City hotels. For the Retail Business, there was also growth in visitors to the shopping centers. In addition, the Company continuously improved shopping centers to align with marketing strategies. We also collaborated with global partners to attract more customers to visit our shopping centers and reduced rental discounts for COVID-19-affected tenants. The Office Building Business continued its strong performance, driven by demand for fully furnished Grade A office space in response to the growing trend of hybrid work models. Additionally, the Company gained from the fair value of Investment Properties of 1,220 million baht in 1Q/2023. In 1Q/2023, total revenue reported in the Financial Statement increased by 4.8% QoQ, demonstrating continued growth in the Group's revenue.

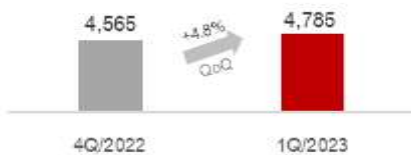
Graph 3 : The proportion of each business group revenue (Financial Statement) of 1Q/2023



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

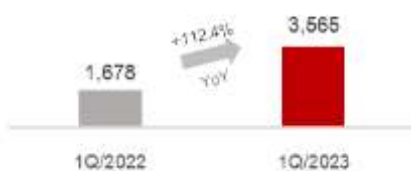


Graph 5 : Total revenue (Financial Statement) (mil. baht)\*



#### Additional Information (Operating Performance)

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



Total revenue from the Operating Performance in 1Q/2023 was 3,565 million baht, a significant 112.4% increase YoY. This was consistent with the full reopening of the country, leading to an increase in economic activities. Moreover, the Company consistently cut rental discounts for COVID-19-affected tenants.



Additional Information (Operating Performance)



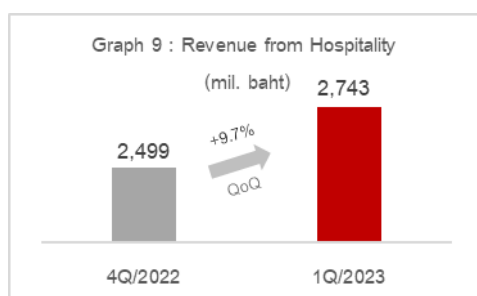
Total revenue from the Operating Performance in 1Q/2023 increased by 7.9% QoQ, mostly owing to the growth of the Hospitality Business in line with the full reopening of the country and high season period since the end of last year.

The revenue generated by each business group was as follows:

### Hospitality



According to the Financial Statement, the revenue from the Hospitality Business was 2,743 million baht in 1Q/2023, growing more than 100% YoY and 9.7% QoQ and growing 9.1% from 1Q/2020 or pre-COVID-19 effect, due to the full reopening of the country, leading to an increase in economic activities. In addition, 1Q/2023 was the high season period, carrying over from the long holiday celebrating the New Year at the end of 2022, when travellers prefer to visit beaches in southern Thailand. The overall occupancy rate in 1Q/ 2022 was 68.1%, with growth in all segments, particularly Bangkok City hotels, and Non-Bangkok City hotels. The Average Daily Rate (ADR) was 6,100 baht per night, growing by 7.1% QoQ



The revenue from the Hospitality Business gained from the fair value of Investment Properties of 7 million baht due to rental income from dusitD2 Chiang Mai. As a result, the revenue from Operating Performance was 2,736 million baht, an increase of more than 100% YoY and 9.5% QoQ.

Table1: Revenue from the Hospitality Business \*

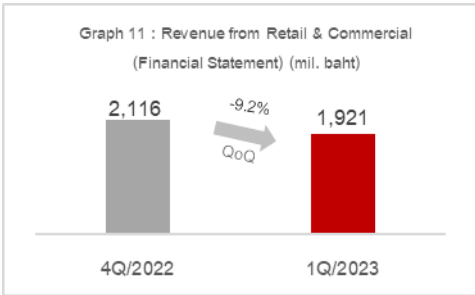
Categories	1Q/2023 (MB)	QoQ	YoY	Explanation
MICE (46%;40%)**	1,260	(5.7%)	181.2%	Due to the strong performance of the MICE segment in comparison to peers, Bangkok Marriott Hotel Surawongse showed a stronger performance with RGI of 201.0 that showed greater growth potential following the country's full reopening. Revenue of MICE grew by 181.2% YoY.
Bangkok City (10%;14%)**	283	2.3%	263.4%	The RGI index of Bangkok City hotels for 1Q/2023 was above the average of 130.7, particularly for the Le Meridien Bangkok, which had an RGI of 143.6. Revenue for 1Q/2023 climbed by 263.4% YoY in line with the full reopening of the country resulting in a significant increase in the number of tourists.
Luxury Resort (19%;18%)**	409	25.4%	224.7%	The Luxury Resort Group hotels had an RGI of 124.2, of which the highly popular Banyan Tree Krabi hotel had an RGI at 135.9. The full reopening of the country, the high season period in southern Thailand as a destination for long weekends for both Thai and foreign tourists, resulted in revenue for 1Q/2023 climbing by 224.7% YoY.
Non-Bangkok (25%;28%)*	814	42.8%	187.5%	Non-Bangkok City hotels had an RGI of 101.5 for 1Q/2023, which was higher than the industry average, with the Courtyard Marriott Phuket Town having an RGI of 195.0. 1Q/2023 was the high season period in southern Thailand, with a significant increase in the number of tourists from country reopening. As a result, revenue for 1Q/2023 climbed by 187.5% YoY.
Total	2,767	10.2%	195.8%	

\* 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 Business; asset value proportion of operating assets of the Hospitality Business.

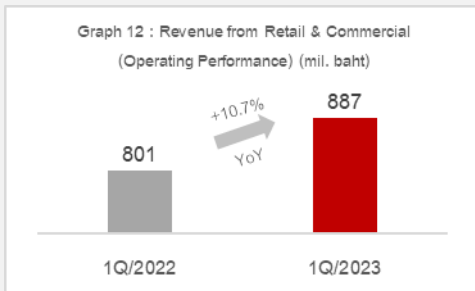


**Retail & Commercial** consisting of the Retail and Commercial Business: According to the Financial Statement, revenue from the Retail and Commercial Business in 1Q/2023 was 1,921 million baht, increased by 2.1% YoY.



Comparing the performance with the previous quarter, revenue from the Retail and Commercial Business as reported in the Financial Statement was down by 9.2% QoQ because of slightly lower realized fair value gains on Investment Properties. The value of assets of the Retail & Commercial continues to grow and a fair value gain was 1,220 million baht in 1Q/2023.

Additional Information (Operating Performance)

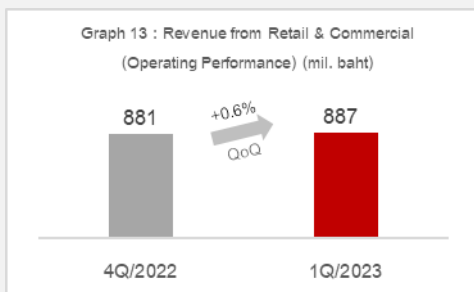


In 1Q/2023, revenue from the Operating Performance of the Retail and Commercial Business was 887 million baht, up 10.7% YoY, driven by both of Retail and Commercial Business.

The Retail Business grew strongly after the full reopening of the country resulted in more new tenants renting space in the shopping center in response to an increase in shopping and service activities, especially at Asiatique The Riverfront Destination where we officially opened “Disney100 Village at Asiatique” as part of Disney’s 100<sup>th</sup> anniversary during March 24, 2023 to July 31, 2023, leading to a high number of visitors.

Rental revenue from the Commercial Business increased compared with same period of last year owing to the full reopening of the country, prompting a return to normal economic and social activities and more new tenants coming to observe the space.

Additional Information (Operating Performance)



In 1Q/2023, revenue from the Operating Performance of the Retail and Commercial Business was close to the previous quarter because the Company consistently cut rental discounts for COVID-19-affected tenants, and more new tenants rented space in the shopping center in response to an increase in shopping and service activities.

\* Revenue before excluding related transaction between business groups.

Table 2: Revenue of the Retail and Commercial Business \*

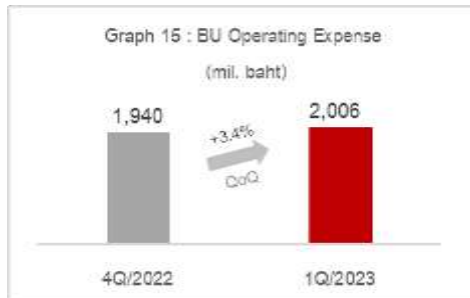
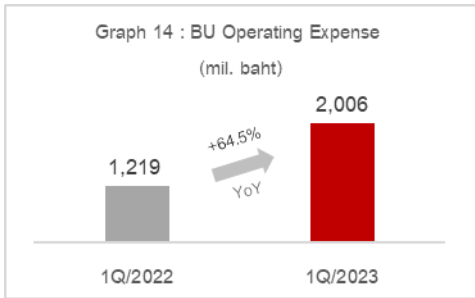
Categories	1Q/2023 (MB)	QoQ	YoY	Explanation
Community Shopping Malls (22%;32%)**	197	103.4%	3.2%	The revenue of Community Shopping Malls in 1Q/2023 increased by 3.2% YoY because visitor numbers were higher than before. In addition, the Company consistently cut rental discounts for COVID-19-affected tenants.
Tourist Lifestyle Destination (10%;9%)**	92	61.0%	114.9%	The revenue of the Tourist Lifestyle Destination in 1Q/2023 grew by 114.9% YoY because Asiatique the Riverfront Destination officially opened "Disney100 Village at Asiatique" as part of Disney's 100 <sup>th</sup> anniversary, leading to high visitor numbers, both Thais and foreigners.
Community Market (6%;13%)**	51	78.5%	4.3%	The revenue of the Community Market in 1Q/2023 grew by 4.3% YoY.
Commercial Building (62%;46%)**	547	-2.7%	5.6%	The revenue of the Office Building Business in 1Q/2023 increased by 5.6% YoY. The Office Building Business maintained its stable and sustainable revenue.
<b>Total</b>	<b>887</b>	<b>19.0%</b>	<b>10.8%</b>	

\* 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.

## Operating Expenses\*

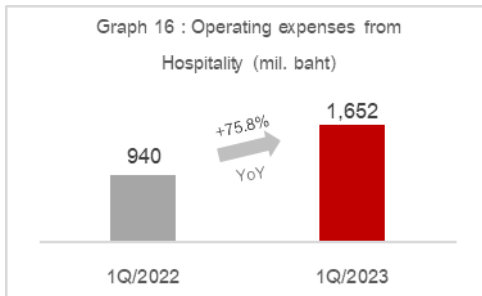
In 1Q/2023, the operating expenses of the Business Group (BU) totaled 2,006 million baht, up by 64.5% YoY and 3.4% QoQ. This was mostly due to an increase in operating assets, opening new hotels and increase in common areas to support the convenience of the increasing number of customers. However, the cost to income ratio in 1Q/2023 was at 55%, down from 1Q/2022 at 69%, demonstrating the effectiveness of cost management. Furthermore, the flow through ratio improved in all business units compared to the same period last year. In 1Q/2023, the flow through ratio of the Retail Business was at 87%, for example, the Asiatique Riverfront Destination's flow through was at 105%. The flow through ratio of the Commercial Business was at 95%, for example, and the Empire Tower Building's flow through was at 97%. The flow through ratio of the Hospitality Business was at 65%, for example, Courtyard By Marriott Phuket Town's flow through was at 79%.



Additionally, the key expense breakdowns presented in Graphs 17 and 19 highlight the outcomes of the implementation of an operational efficiency improvement process and effective cost management.

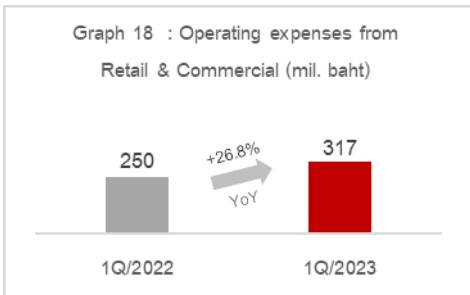
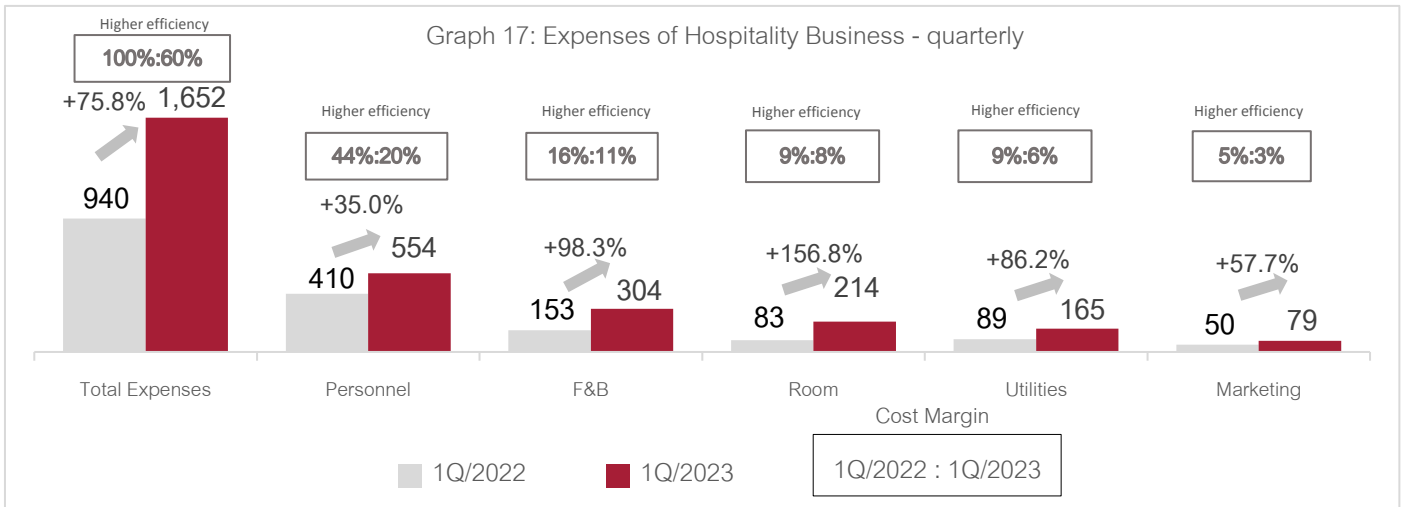
## Hospitality\*\*

The Company had operating expenses for the Hospitality Business in 1Q/2023 of 1,652 million baht, up 75.8% YoY. An increase in operating expenses was in line with the revenue growth in the Hospitality Business. The cost margin improved from 99.8% in 1Q/2022 to 60.2% in 1Q/2023. The operating expenses were stable compared with the previous quarter.



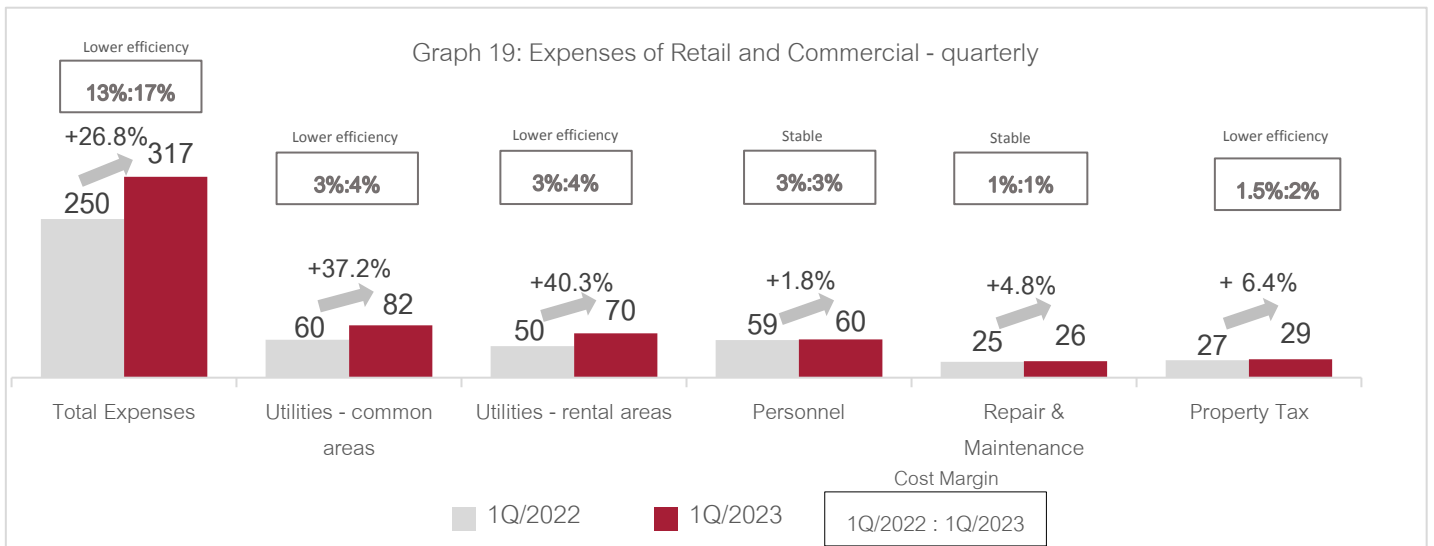
\* No elimination and exclude transactions between business groups.

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

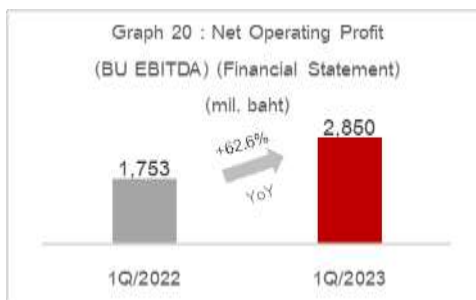


**Retail & Commercial** According to both the Financial Statement and Operating Performance, the operating expenses from the Retail and Commercial Business in 1Q/2023 totaled 317 million baht, up 26.8% YoY and 22.4% QoQ resulted from an increase of utility expenses. However, the company also controls the use of utilities and increase the efficiency of work processes to mitigate the impact.

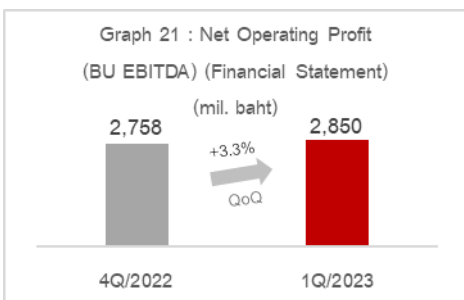
\* The operating expenses of the business group is the operating expenses before excluding related transactions between business groups.



### Net Operating Profit (BU EBITDA)\*



According to the 1Q/2023 Financial Statement, the Company had a Net Operating Profit (BU EBITDA) of 2,850 million baht, up 62.6% YoY, mainly driven by the Hospitality Business, effective cost management, and fair value gains on Investment Properties.



The Company's Net Operating Profit (BU EBITDA) in the 1Q/2023 Financial Statement increased by 3.3% QoQ.

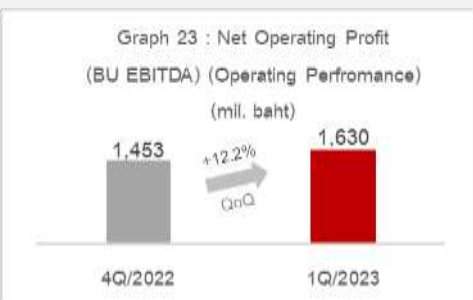
\* Net Operating Profit (BU EBITDA) is excluded related party transactions between business groups.

Additional Information (Operating Performance)



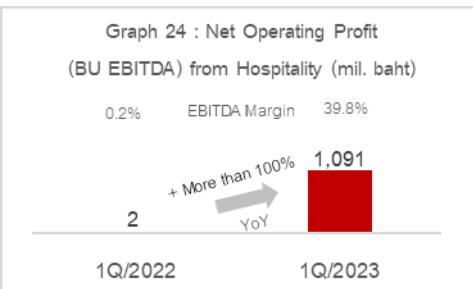
In 1Q/2023, the Net Operating Profit (BU EBITDA) from the Operating Performance was 1,630 million baht, up more than 100% YoY due to growth momentum across segments, particularly in the Hospitality Business, after the full reopening of the country.

Additional Information (Operating Performance)



In 1Q/2023, the Net Operating Profit (BU EBITDA) from the Operating Performance increased by 12.2% QoQ. This was due to continuous growth from the previous quarter, particularly in the Hospitality Business in accordance with the high season period in southern Thailand. As a result, there was a significant increase in the number of tourists, both Thais and foreigners, visiting the hotels.

Hospitality



The Net Operating Profit (EBITDA) from the Financial Statement in 1Q/2023 was 1,091 million baht, an increase of more than 100% YoY and an increase of 28.7% QoQ, which was exponential growth after the country's full reopening in 2022. The number of both Thai and foreign tourists increased for both staying and using the food and beverage services of the hotels, particularly MICE hotels and Bangkok City hotels. This reinforced the strengths of having high-quality assets and a global partners' network, enabling the Company to capture first High-to-Luxury tourists. Moreover, the Company's effective cost controls resulted in the EBITDA margin at 39.8%, up from 0.2% of 1Q/2022.



The Net Operating Profit (EBITDA) from Operating Performance in 1Q/2023 was 1,085 million baht, an increase of more than 100% YoY and 27.9% QoQ.



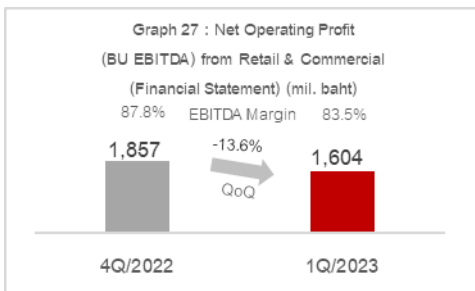
Table 3: Net Operating Profit (BU EBITDA) of Hospitality Business \*

Categories	1Q/2023 (MB)	QoQ	YoY	Explanation
MICE	482	0.6%	5,172.6%	The Group's net operating profit increased significantly compared to the same period last year in accordance with the full reopening of the country and high season period, which led to an increase in the number of guests, social gatherings, conferences, and various festive events.
Bangkok City	107	12.2%	506.5%	The Group's net operating profit increased significantly compared to the same period of last year because of the full reopening of the country, which resulted in more business travel and international travel.
Luxury Resort	195	64.8%	1,023.6%	The Group's net operating profit increased significantly compared to the same period of last year because of the full reopening of the country, the high season period in southern Thailand which resulted in an increase in Thai and foreign tourists staying in our hotels since last year.
Non-Bangkok City	319	96.9%	1,509.4%	The Group's net operating profit increased significantly compared to the same period of last year because of the full reopening of the country, the high season period in Southern Thailand, which resulted in an increase in the number of Thai and foreign tourists staying in our hotels since last year.
<b>Total</b>	<b>1,103</b>	<b>29.0%</b>	<b>5,445.9%</b>	

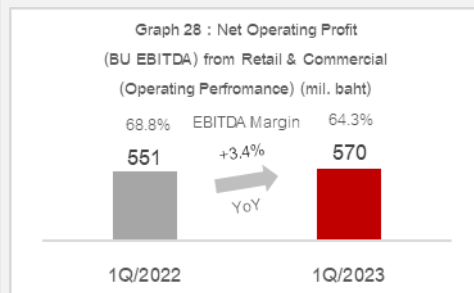
\* Each business unit is referred to only the operating assets of the Company. Revenue before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

## Retail & Commercial\*

According to the 1Q/2023 Financial Statement, the Company's Net Operating Profit (BU EBITDA) was 1,604 million baht, a 1.7% decrease YoY, mainly due to an increase in utility expenses, particularly additional charges for electricity in the common areas within the office buildings and the higher of fair value gain in 1Q/2022 from the country reopening. The Group's Net Operating Profit (BU EBITDA) decreased by 13.6% QoQ.



### Additional Information (Operating Performance)



The Net Operating Profit (BU EBITDA) of the Retail and Commercial Business from the Operating Performance in 1Q/2023 was 570 million baht, up 3.4% YoY. This was due to an increase in revenue in the Retail Business, especially at Asiatique the Riverfront Destination, where we officially opened "Disney100 Village at Asiatique", which attracted a high number of Thai and foreign visitors.

### Additional Information (Operating Performance)



The Net Operating Profit (BU EBITDA) of the Retail and Commercial Business from the Operating Performance in 1Q/2023 decreased by 8.4% QoQ resulted from inflation and the rising of utility expenses. However, the company also controls and manages the use of utilities and increase the efficiency of work processes.

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

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

Categories	1Q/2023 (MB)	QoQ	YoY	Explanation
Community Shopping Malls	98	1.3%	-10.7%	The Net Operating Profit in 1Q/2023 decreased by 10.7% YoY due to the change of marketing strategy in order to satisfy customer need and lifestyle.
Tourist Lifestyle Destination	40	-30.7%	248.2%	The Net Operating Profit increased 248.2% YoY due to a strategy adjustment to respond to diverse demand from domestic and international tourists.
Community Market	22	-21.7%	-8.7%	The Net Operating Profit in 1Q/2023 decreased 8.7% YoY due to the change of marketing strategy in order to satisfy customer need and lifestyle.
Office	411	-6.8%	1.1%	The Net Operating Profit increased 1.1% YoY. The Office Building Business maintained its stable and sustainable revenue.
<b>Total</b>	<b>571</b>	<b>-8.4%</b>	<b>3.4%</b>	

The Wholesale Business Group was conducting strategic planning to open in 2Q/2023. Therefore, in 1Q/2023, the business group had cash outflow of 23 million baht to prepare for the commencement of its operation.

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

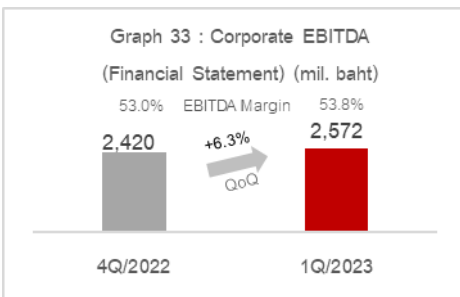
### Corporate Expenses

The Company incurred corporate expenses of 240 million baht in 1Q/2023, a 21.2% increase YoY and 10.3% QoQ. This was from the preparation for the Company's investment expansion in the future.



### Corporate EBITDA

According to the Financial Statement, the Corporate EBITDA in 1Q/2023 was 2,572 million baht, up 67.1% YoY and 6.3% QoQ. An increase in Corporate EBITDA was mainly due to growth in the Hospitality Business in line with the full reopening of the country. Moreover, the Company recognized fair value gains on Investment Properties. As a result, the Corporate EBITDA margin in 1Q/2023 was 53.8%.

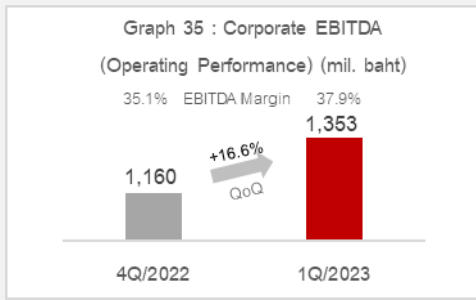


#### Additional Information (Operating Performance)



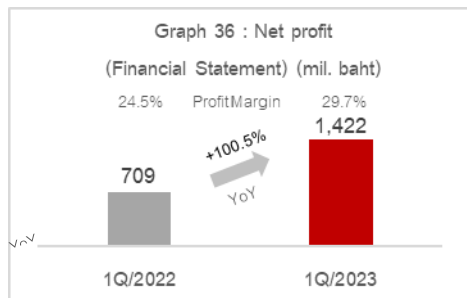
The EBITDA from the Operating Performance in 1Q/2023 was 1,353 million baht, up more than 100% YoY. As the country fully reopened, businesses were able to resume normal activities while the high season period was ongoing since last year. Consequently, the Company rebounded strongly.

Additional Information (Operating Performance)



The EBITDA from the Operating Performance in 1Q/2023 continuously increased by 16.6% QoQ mainly due to an increase in the Hospitality Business. EBITDA margin rose at 37.9%.

**Net Profit**



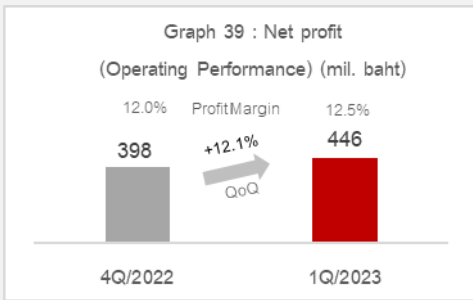
In 1 Q/2 0 2 3 , the Company recorded a net profit according to the Financial Statement of 1,422 million baht, a 100.5% YoY increase, supported by significant growth in the Hospitality Business as a result of the country's reopening in 2022 . The first quarter is a busy travel season continuing on from the New Year holiday and a peak season for beach destinations in southern Thailand, resulting in an overall hotel occupancy rate of 68.1% and an ADR of 6,100 baht per night, a 7.1% QoQ increase. The Retail Business also enjoyed growth as tenants returned to shopping centers. In addition, the Company has continuously improved and enhanced its shopping centers to align with the marketing strategy, including partnerships with global partners to attract local and international customers to service the shopping center, while rental discounts for COVID-19 affected tenants were reduced. The Office Building Business generated stable and sustainable cash flow, and investment properties delivered a solid performance with a fair value gain of 1,220 million baht. In 1Q/2023, net profit according to the Financial Statement was 1.1% increased QoQ.

Additional Information (Operating Performance)



In 1Q/2023, the Company's net profit from the the Operating Performance was 446 million baht, up more than 100% YoY. The Company achieved stable and rapid growth by having strong assets, which is shown in the profit margin of 12.5%.

Additional Information (Operating Performance)



In 1Q/2023, the Company's net profit from the Operating Performance increased by 12.1% QoQ, which was continuous growth from the previous quarter.

### Capital Structure, Liability and Return

#### Total Assets



The Company had total assets as of 31 March 2023 valued at 158,236 million baht, of which the main assets were operating assets. The details were as follows:

The fixed assets consisted of property, plant and equipment, investment properties and leasehold rights. As of 31 March 2023, the total value of fixed assets was 154,260 million baht, while the value of operating assets was 154,200 million baht. Other assets, excluding property, plant and equipment and investment properties, as of 31 March 2023 were valued at 3,976 million baht. These other assets included 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 as of 31 March 2023 was 142,471 million baht, an increase of 801 million baht, or 0.6% YTD, and the value of fixed assets was the value before deducting accumulated depreciation and excluding assets' revaluation, totaling 119,859 million baht, increasing 441 million baht or 0.4% from 2022. This is mainly due to an increase in the value of the investment of fixed assets which resulted from the capability of conversion of development assets to operational assets.

The return on investment was calculated by the return on Net Operating Profit (BU EBITDA) to fixed assets (Table 5), which increased due to the ability to generate cash flow from operating results and effective cost management Operating profit excluding fair value gain was 4,893 million baht, an increase of 1,090 million baht or 28.7% from 2022.

The return on the Net Operating Profit (BU EBITDA) to fixed asset based on the Financial Statement as of 31 March 2023 was at 6.9%, up from 6.2% in 2022.

The return on the Net Operating Profit (BU EBITDA) to fixed assets from the Operating Performance as of 31 March 2023 was at 3.4%, up from 2.7% in 2022.

The return on the Net Operating Profit (BU EBITDA) based on the Financial Statement of operating assets, comprised of assets in the mature period (MATURE), assets in the initial period (RAMP UP) and assets under repositioning (REPOSITION), to total fixed assets as of 31 March 2023 was at 8.2%, up from 7.3% in 2022.

The Company's assets in the mature period (MATURE), which accounted for 2.5% of its total fixed assets, generated a 27.5% return on the Net Operating Profit as reported in the Financial Statement as of 31 March 2023, up from 26.6% in 2022.

The Company's assets in the mature period (MATURE) generated a return from the Operating Performance to fixed assets as of 31 March 2023 at 13.2%, maintained from 13.3% in 2022. This was owing to the mature period (MATURE) in the Commercial Business creating high yield, demonstrating the competitive advantage of balancing and diversifying the Company's asset portfolio.

Table 5: Return on Net Operating Assets EBITDA of the Business Group according to the Financial Statement  
and Operating Performance to Fixed Assets (Past 12 months) as of 31 March 2023

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 2023 (Past 12 months)	2022	2019	As of 31 March 2023 (Past 12 months)	2022
<b>Hospitality</b>								
Assets in the mature period (MATURE)	-	-	0.0%	-	-	8.1%	-	-
Assets in the initial period (RAMP UP)	2,480	49,981	58.9%	5.0%	3.1%	5.3%	5.0%	3.1%
Assets under repositioning (REPOSITION)	190	12,334	14.5%	1.5%	0.3%	6.7%	1.5%	0.3%
Assets under development (DEVELOPING)	(27)	22,559	26.6%	-0.1%	0.0%	-0.6%	-0.1%	0.0%
<b>Total</b>	<b>2,643</b>	<b>84,874</b>	<b>100.0%</b>	<b>3.1%</b>	<b>1.9%</b>	<b>5.8%</b>	<b>3.1%</b>	<b>1.9%</b>
<b>Assets under development (DEVELOPING)</b>								
Assets in the mature period (MATURE)	463	3,503	6.1%	13.2%	13.3%	8.5%	27.5%	26.6%
Assets in the initial period (RAMP UP)	1,287	23,814	41.3%	5.4%	5.4%	6.2%	17.2%	17.9%
Assets under repositioning (REPOSITION)	500	30,228	52.5%	1.7%	1.6%	5.6%	7.1%	6.6%
Assets under development (DEVELOPING)	(0)	52	0.1%	0.0%	0.0%	-1.8%	0.0%	0.0%
<b>Total</b>	<b>2,250</b>	<b>57,597</b>	<b>100.0%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>5.4%</b>	<b>12.5%</b>	<b>12.5%</b>
<b>Total of Fixed Assets</b>	<b>4,893</b>	<b>142,471</b>	<b>100.0%</b>	<b>3.4%</b>	<b>2.7%</b>	<b>5.6%</b>	<b>6.9%</b>	<b>6.2%</b>
<b>Fixed Assets of the Company</b>								
Assets in the mature period (MATURE)	463	3,503	2.5%	13.2%	13.3%	8.3%	27.5%	26.6%
Assets in the initial period (RAMP UP)	3,767	73,794	51.8%	5.1%	3.8%	5.8%	8.9%	7.9%
Assets under repositioning (REPOSITION)	690	42,562	29.9%	1.6%	1.2%	6.0%	5.5%	4.7%
Assets under development (DEVELOPING)	(27)	22,611	15.9%	-0.1%	0.0%	-1.4%	-0.1%	0.0%
<b>Total of Fixed Assets</b>	<b>4,893</b>	<b>142,471</b>	<b>100.0%</b>	<b>3.4%</b>	<b>2.7%</b>	<b>5.6%</b>	<b>6.9%</b>	<b>6.2%</b>

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 2023, the Company recorded total liabilities of 73,941 million baht, increasing by 347 million baht or 0.5% compared to the Financial Statement at year end of 2022 (Graph 41.1 and 41.2). The liabilities consisted of interest-bearing debt (IBD), amounting to 59,215 million baht, and other liabilities amounted to 14,725 million baht. As of 31 March 2023, the shareholder's equity amounted at 84,295 million baht (Graph 41.2), mostly because of the recognition of positive operating results and unappropriated retained earnings.

Graph 41: Financial Structure

Graph 41.1 Financial Statement as of year end 2022

Graph 41.2 Financial Statement as of March 31, 2023

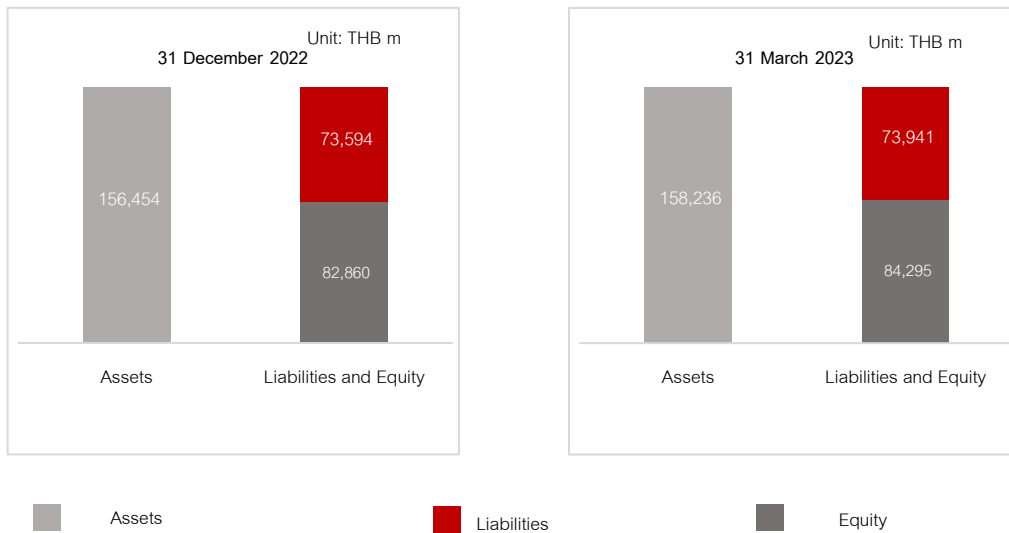


Table 6: Financial Ratio

Financial Ratio		Year		Quarter		
		2021	2022	1Q/2022	4Q/2022	1Q/2023
Financial Statement	EBITDA Margin	48.7%	53.1%	53.2%	53.0%	53.8%
	Net Profit Margin	12.1%	27.4%	24.5%	30.8%	29.7%
Operating Performance	EBITDA Margin	3.2%	29.1%	19.4%	35.1%	37.9%
	Net Profit Margin	-48.2%	0.5%	-15.6%	12.0%	12.5%

The EBITDA margin in the 1Q/2023 Financial Statement was at 53.8%, a YoY increase mainly due to an expansion of the hotel business together with effective cost management. The net profit margin in the 1Q/2023 Financial Statement was at 29.7%, an increase from the same period last year and the previous quarter. This was mainly due to the Company's income generating capacity and its effective cost management.

The EBITDA margin and net profit margin from the Operating Performance in 1Q/2023 were at 37.9% and 12.5%, respectively, a considerable improvement over the same period last year and previous quarter. The net profit margin of the Company increased tremendously this year from the return of the hospitality business following the full reopening of the country, as well as the Company's successful cost controls. The EBITDA margin and net profit margin from the Operating Performance improved over the previous quarter due to the bounce back of the Hospitality Business, mainly as a result of the high tourism season period, and the return of Chinese tourists following the Chinese government's relaxation measures for overseas travel. This was a significant increase in both Thai and foreign tourists visiting our hotels. The Retail Business also enjoyed the same growth because businesses were able to resume their normal activities, resulting in a return of customers to the shopping center at near normal levels. Moreover, the Company consistently cut rental discounts for COVID-19-affected tenants. The Office Building Business still generates stable cash flow for the Company.

**Table 7: Debt to Equity Ratio**

Ratio	2021 (Restated)	2022	1Q/2023
Debt to Equity Ratio	0.70 times	0.89 times	0.88 times

The Debt-to-Equity Ratio for 1Q/2023 was at 0.88 times, a decrease by 0.01 times in 2022. This was mainly due to the growth of total equity, which was higher than the increase in total liabilities. In addition, this reaffirmed the Company's solid financial structure and strong leverage capability in reserving liquidity to support ongoing expansion and business plans.

**The Company's commitment to sustainable development**

Driven by the Company's long-term vision of "Building a Better Future", we remain committed to create social values and sustainable economic growth for all stakeholders underpinned by "the Three Pillars" Sustainability Strategy: Better

Planet, Better People, and Better Prosperity, covering nine important dimensions. In 1Q/2023, the Company published its Sustainability Report 2022 to communicate how we deliver our philosophy, vision, and missions resulting in our sustainability performances to the public and all stakeholders, and to ensure our commitment and tireless efforts remained as strong as ever to achieving our sustainability goals. This report is verified and assured by the external verifier from LRQA (Thailand) the global leading assurance company, social and governance auditing and is made available to the public in a digital format via the Company's website.

## BETTER PLANET

Under this pillar, the Company is determined to proactively make measurable progress on “building back better planet” as a step to become a carbon neutral company by 2030. We set ambitious annual goals and workplans to guide the implementation of activities and projects and regularly monitor / measure performances and outcomes.

In 1Q/2023, In 1Q/2023, the Company continued to expand the implementation of the Energy Efficiency Plan (EEP) in all company properties. We managed to reduce the specific energy consumption (SEC) to 1.4 % compared to a base year. We also saved THB 16 million from electricity bills whilst reducing 3,593 megawatt-hours, equivalent to the greenhouse gas emission by 1,796 Tons CO<sub>2</sub> eq. **The saving is equivalent to 1.7 time energy consumption of the Sheraton Samui in 2022 or carbon dioxide absorbed by 119, 733 trees. When comparing the Q1 /2023 performance to that of Q1/2022, the company has managed to reduce the greenhouse gas emission to 37%.**

As a coalition to Bangkok Metropolitan Administration and the World Wildlife Fund (WWF), the Company, in collaboration with all employees, organizations, offices, restaurants and malls in all our properties, took part in "60+ Earth Hour 2023" event on 25 March 2023 – the green culture promotion program, by jointly switching off lights that give an hour for the Earth during 20.30 – 21.30 hrs. This Earth Hour action alone helped save 2,126 kilowatt-hours from energy consumption, reducing our greenhouse gas emissions by 1.06 Tons of CO<sub>2</sub>eq.

With a proven record of performance delivered, together with continued efforts to drive positive changes, the Company strongly believe in striving for the achievement and positive outcomes for this year and ahead.

## **BETTER PEOPLE**

The company has actively promoted community engagement to leverage the community health and well-being. In 1Q/2023, to celebrate National Children's Day 2023, the Company partnered with the Bangkok Metropolitan (BMA) for the Pun Fun Project to donate learning resources and sporting equipment to children in need and communities in the Bang Kho Laem district. A range of activities were organized to raise children's awareness of the circular economy such as a workshop to make key chains and necklaces from reused and recycled materials. The Company also organized the "AWC Charity Market Around at Asiatique" activity at the Charoen Krung Square activity area (Clock Tower) of Asiatique The Riverfront Destination.

To celebrate the 10<sup>th</sup> anniversary of the Asiatique The Riverfront Destination, we gave 1,500 free tickets, worth 3.6 million baht, to students from schools under the BMA to enjoy the new "Disney100 Village at Asiatique" exhibition, a special pop – up event.

The Company continues to create social value and actively engage with communities where our properties are located. In 1Q/2023, we made visits to communities and households in Sampanthawongse district to identify their needs. We also joined hands with Community Health Service Centers in Sathorn district and provided medical equipment and supplies to help run the center's prevention and disease control activities.

## **BETTER PROSPERITY**

Since 2019, with the company's growing operating assets, we have greatly created economic value to local communities by 3.15 times of the investment. Over the 4 years of business operation, 675 jobs have been created nation - wide whilst generating incomes for employees and their families worth over THB 6,650 million.

The Company recognizes the importance of good corporate governance as a backbone of a business which is crucial for a country's economic development towards inclusive and sustainable growth.

In 1Q/2023, the Company implemented activities to promote good corporate governance as follows:

1. The Board of Directors ensured that all committees, executives, and employees at all levels adhered to good corporate governance principles and comply with the Company's Code of Conduct. As a listed company, committees, executives and employee insiders are prohibited from trading in the company's stock during the blackout period. The Company's blackout period is at least 30 days.
2. Organized training for executives and employees on their obligations under the Company's Use of Inside Information Policy and preventive measures on the use of inside information for trading in the Company's stock (AWC). Executives and employees are required to report on securities holdings and the change.
3. Organized three mandatory trainings to all new employee on issues of good corporate governance to be completed within 7 days after onboarding:
  - 3.1 The Company's Code of Conduct
  - 3.2 IT Security Policy
  - 3.3 Anti-Corruption Policy

The overall performance in 1Q/ 2023 has continued to outperform 2022 due to the country's full reopening. The country's economic activities began to return to normal and become more active, particularly for the tourism industry. To deliver the needs of target customers, the Company continues to transform assets under development into operating assets, such as 2 new hotels InSide by Melia Chiang Mai and InterContinental Chiang Mai Mae Ping to be launching in 2023, also including Le Meridien Chiang Mai which is rebranding to Marriott Chiang Mai. AWC aims to increase operating hotels from 20 hotels to 22 hotels in 2023, totaling 6,036 keys, including asset enhancement to meet customer needs and lifestyles by launching of the Co-Living Collective: Empower Future of the Empire Building, creating an All Day Everyday Happiness experience at Asiatique The Riverfront Destination, launching Disney100 Village at Asiatique, and launching THE PANTIP LIFESTYLE HUB in Chiang Mai. The Company continues to operate under the sustainable development framework to achieve corporate sustainability goals by 2030, contributing to driving the Thai economy and creating long-term value for all stakeholders to align with the organization's mission of "BUILDING A BETTER FUTURE".