

**Management's Discussion and Analysis for the performance of the six months period ended 30 June 2023****Executive Summary****Performance Overview**

S Hotels and Resorts PCL ("SHR" or "the Company") recorded the total revenue from services at THB 2,277 million in the second quarter of 2023. The revenue growth of 10% from the same period in 2022 stemmed from both higher occupancy rate and average daily rate ("ADR"). The overall average occupancy rate of SHR's portfolio was 68%, deriving mainly from improved occupancy rates in Thailand and the UK. ADR in 2Q23 also increased in all geographic areas where SHR hotels are located. The ADR of the whole portfolio was reported at THB 5,294 in 2Q23 compared to THB 4,780 in 2Q22. Though these remarkable operating statistics yielded an improved adjusted EBITDA of THB 441 million (+16% YoY), the operating performance of the Company was intimidated by increasing depreciation and rising interest expenses which resulted in net loss of THB 117 million in 2Q23.

SHR's total revenue from services for the first six months of 2023 were THB 4,821 million, a strong growth of 28% compared to the same period of the previous year. The improvement in the top line was supported by the well recovery in tourism industry both in Thailand and overseas. The overall portfolio occupancy rate was recorded at 69% in 1H23 compared to 54% in 1H22 while ADR also showed a similar trend, being recorded at THB 5,544 in 1H23 compared to THB 4,995 in 1H22. The portfolio's RevPar in 1H23 was THB 3,800, increasing by 41% from THB 2,688 in 1H22. With significantly alleviated revenue and consistent cost and expense control implementation, SHR recorded an adjusted EBITDA of THB 1,112 million and net profit of THB 8 million in the first half of 2023.

**Tourism Industry Trends and Hotel Operations by Location**

The United Nations World Tourism Organization ("UNWTO") reported a growth in international tourism of 86% in 1Q23 compared to 1Q22 and expected a continuing recovery through the rest of the year, supporting by the pent-up demand, and the increasing number of international flights. Additionally, significant increase in outbound bookings could be observed in China, signaling the return of Chinese tourists to the rest of the world. However, there are some concerns needed to be cautious including rising inflation and utilities price which will directly impact consumer spending as well as transportation cost. Last but not least, the Russian-Ukraine war remains active and creates the geopolitical tensions which can lead to downside risks.

The estimated number of international tourist arrivals of the countries where SHR operates its business can be summarized as follows:

(Unit: Million People)	2019	2022	Forecast 2023
Thailand	39.9	11.1	25.0
Republic of Maldives	1.7	1.7	1.8
United Kingdom	40.9	30.0	37.5
Republic of Fiji	0.9	0.6	0.8
Republic of Mauritius	1.4	1.0	1.4

### Thailand

At the end of the first half of 2023, Thailand saw an increasing number of international tourist arrivals with the number from the ministry of tourism and sports being registered at 13 million led by those visitors from East Asia and Europe which accounted for 67% and 15%, respectively. Chinese tourists showed a promising sign as returning visitors was almost 80% higher in 2Q23 compared to that of 1Q23 after many restrictions have been lifted. In addition, the tourists preferred to stay with a longer period compared to the same period in 2022 which helped improve the occupancy rate gradually.

For the second half of 2023, it is expected that the number of tourist arrivals will continue to accelerate and reach the target of the Tourism Authority of Thailand (TAT) at 25 million visitors, supporting by two major factors. The first one gears toward an increasing number of international flights while the second reason is the expectation in the ease of e-visa procedure. However, the Company estimates a slight drop in the overall occupancy rate in Thailand during the second half of the year from the SAii Phi Phi Island Village and the SAii Laguna Phuket. Some parts of these two properties have been temporarily closed for major renovations during the low season and are expected to complete to welcome the guests again in the high season of this year.

### Republic of Maldives

The ministry of tourism registered the total number of tourists visited the Maldives at 929,607 visitors by the end of June 2023 which was 14% higher than that of the same period last year and accounted for approximately 52% of 2023 tourist arrivals target. Indian and Russian were the top two visitors, accounting for around 12% and 11% of total visitors, respectively while Chinese came at the fifth place at 7%. It is expected that the Chinese tourists will gradually return, supporting by the direct flight recommencements and additional new connecting flights to be opened later this year. The industry occupancy rate for the first six months of 2023 stood at 61% dropped from 72% recorded for the first 3 months to reflect the off-peak period which started taking place in May. However, the Company's CROSSROADS properties continued to perform well with the average occupancy rate of 71% for the first half of the year, above the industry average. Room night market share was dominated by Russia, Great Britain and the USA with the proportion of 24%, 14%, and 7% respectively.

### United Kingdom

Office for National Statistics (“ONS”) disclosed the 1Q23 inbound update showing approximately 8 million visitors travelled to the UK during January-March 2023. This was only 8% lower when compared with the pre-pandemic level in 2019. ONS has predicted the total number of visitors in 2023 to be approximately 38 million visitors, accounting for 92% of 2019 level. The statistics also revealed that visitors’ spending and average length of stay in 1Q23 were higher than those in 2019. 37% of all inbound visits were to meet friends and relatives while 36% came for holidays. The top inbound composed of those from the USA, the Irish Republic, France, Spain and Germany. The UK domestic travelers also showed a promising sign with consumers’ willingness to spend. Barclays’ consumer spending reports showed that UK consumers’ spending on hotels, resorts and accommodation is in the positive momentum with June’s growth of 5% from last year amid ongoing inflationary pressures. For the first half of 2023, the Company’s UK properties performed well with the average occupancy rate of 70% and ADR of £83, both numbers surpassed those from last year.

For the second half of 2023, most of the hotel operators still have to face the challenges of operational cost management especially in terms of labor and utilities costs. The Company will continue to increase the efficiency by strictly controlling cost and expenses as well as employing a pricing strategy that can accommodate the dynamic change in cost of living. At present, the Company hedged the utilities price towards the winter next year more than 50% of its total consumption. In addition, the financial tools such as interest rate swap will remain a cushion to mitigate financial risks.

### Republic of the Fiji

In the first half of 2023, there were 417,852 visitors arrived Fiji comprising mainly of Australians, New Zealanders, and Americans, accounting for 48%, 22%, and 11% of total visitors, respectively. In addition, travelers from UK and Europe are in the growing trend while the introduction of the direct flights from Canada is expected to induce more Canadians to come. Moreover, the flights from Hong Kong, China, and Japan have been recommenced recently which will help stimulate the return of the tourists.

The properties in Fiji performed well in 1H23 both in terms of occupancy rate and ADR when compared with those of 1H22. The outlook for the second half of this year remains favorable despite the partial closure for renovation at Outrigger Fiji Beach Resort as efficient management is consistently deployed. The Company is expecting a higher ADR throughout the rest of the year once some refurbished rooms can resume their availability with an aim to compensate the limited maximum occupancy rate.

### Republic of Mauritius

Post COVID-19, the tourism industry is recovering steadily with increasing tourist arrivals, stays, and spending on the island. For the first six months of 2023, there were 596,466 visitors to the Republic of Mauritius mainly consisted of travelers from France, UK, and Germany, accounting for 25%, 11%, and 9%, respectively. The tourism industry on the island is predicted to face a fierce competition from other Indian Ocean islands however, the government subsidy schemes such as increase in the promotion and marketing budget and

establishment of a sustainable tourism to become Green Certified by 2030 will help boost the growth in the sector.

The Company expects to reopen the Outrigger Mauritius Beach Resort in the second half of this year and foresees the accelerating occupancy rate and ADR towards the end of the year which is the high season.

### **Nature of Business**

The Company operates its business by holding shares in other companies (Holding Company) engaged in hotel management and investing in the fast-growing international hotel business. The number of rooms has grown at an average rate of 46% per year since its inception. The unique portfolio of assets consists of hotels located in world-class tourist destinations, namely:

(1) Five hotels under a self-managed platform which consists of four hotels in Thailand operate under independent branding, namely, Santiburi Koh Samui, SAii Phi Phi Island Village, SAii Laguna Phuket, SAii Koh Samui Choengmon, and Konotta Maldives Resort in the Republic of Maldives ("**Self-Managed Hotels**");

(2) Three hotels operate under the Outrigger brand and manage under hotel management agreements, which consist of two hotels in the Republic of Fiji, consisting of Outrigger Fiji Beach Resort and Castaway Island Fiji, and one hotel in Mauritius named Outrigger Mauritius Beach Resort ("**Outrigger Hotels**");

(3) Two upper upscale successfully developed hotels, as part of Project CROSSROADS in the Emboodhoo lagoon in the Republic of Maldives, consisting of SAii Lagoon Maldives, Curio Collection by Hilton and Hard Rock Hotel Maldives ("**Hotel in CROSSROADS Project**");

(4) Twenty-four upper midscale hotels operated in the United Kingdom operated under the Mercure brand and managed by Aimbridge Hospitality EMEA (previously named Interstate Hotels & Resorts) which is a leading hotel operator in the United Kingdom, ("**UK Portfolio Hotels**"), and

(5) Four hotels under the Joint Venture Agreement, consisting of three upper midscale hotels operated under the Mercure and Holiday Inn brands in which the Company holds 50% in an equal joint venture with FICO UK. As well as, SO/ Maldives which is under development in the Republic of Maldives as part of Project CROSSROADS in which the Company holds 50% in an equal joint venture with Wai Eco World Developer ("**Joint Ventures Hotels**"). Whereby operating under the joint venture, are not consolidated within the Company's hospitality business, and are instead accounted for using the equity method, where the Company receives a share of profit or loss from the investment in the joint ventures.

The company has 37 commercially operating hotels, comprising hotels under its management, the Outrigger Hotel, hotels in the CROSSROADS project, the company's hotels in the United Kingdom, and hotels under joint ventures has a total of 4,472 rooms. As of 30 June 2022, 36 hotels out of 37 have resumed their normal operation, equivalent to 99% of the total number of rooms (4,419 out of a total of 4,472 rooms).

**Revenue from services by management platforms:**

Unit: THB Million	1H22		1H23		% Change	2Q22		2Q23		% Change
	Revenue	% Share	Revenue	% Share		Revenue	% Share	Revenue	% Share	
Self-Managed Hotels	392.3	10.4%	1,005.2	20.8%	156.3%	208.0	10.0%	363.1	15.9%	74.5%
Outrigger Hotels	547.4	14.6%	635.6	13.2%	16.1%	365.0	17.6%	333.9	14.7%	(8.5%)
Project CROSSROADS	1,216.5	32.3%	1,333.1	27.6%	9.6%	562.0	27.1%	517.8	22.7%	(7.9%)
UK Portfolio Hotels	1,604.8	42.7%	1,847.4	38.3%	15.1%	936.3	45.2%	1,062.3	46.7%	13.5%
<b>Total revenue from services</b>	<b>3,761.0</b>	<b>100.0%</b>	<b>4,821.4</b>	<b>100.0%</b>	<b>28.2%</b>	<b>2,071.3</b>	<b>100.0%</b>	<b>2,277.1</b>	<b>100.0%</b>	<b>9.9%</b>

The total revenue from services in 2Q23 was THB 2,277 million, increasing by 10% YoY mainly from the self-managed hotels and the UK portfolio hotels following the larger amount of travelers in 2023. The Outrigger Hotels generated a lower revenue by 9% in 2Q23 due to the temporarily shutdown of the property in Mauritius while project CROSSROADS had a decline in revenue as fully opened borders around the world temporarily lured travelers to other destinations.

During the first six months of 2023, the tourism industry experienced an obvious recovery compared to 2022 as SHR's hotels and resorts portfolio generated higher revenue in all strategic tourist locations, particularly in Thailand where the growth was as high as 156%. The UK portfolio remained the major revenue contributor, accounting for 38% of total revenue from services. The Outrigger hotels and hotels in project CROSSROADS generated higher revenue in 1H23 corresponding to the higher visitors compared to 1H22.

**Key indicators in respect of the Hotels performance are set out as follows:**

Self-Managed Hotels

Indicators	1H/2022	1H/2023	Change (%)	2Q2022	2Q2023	Change (%)
No. of Hotels	4	4	-	4	4	-
No. of Keys	604	604	-	604	604	-
Average Occupancy Rate (%)	47.7%	75.7%	28.1%	54.2%	64.1%	9.9%
ADR (Baht)	4,889	8,431	72.5%	4,276	6,528	52.7%
RevPar (Baht)	2,330	6,385	174.0%	2,319	4,184	80.4%

The average occupancy rate increased YoY by 10% in 2Q23 corresponding to the higher number of visitors to the properties because most of the restrictions have been lifted both domestically and internationally. ADR was uplifted by 53% YoY to THB 6,528, reflecting the rising demand compared to last year. The first-six-month period performance showed positive results both in terms of the occupancy rate and ADR due to the same reason mentioned earlier.

The Company expects a slight decline in average occupancy rate during the second half of the year because certain parts of the SAii Phi Phi Island Village and the SAii Laguna Phuket will remain temporarily close for major renovations, resulting in a limited maximum occupancy rate.

### Outrigger Hotels

Indicators	1H/2022	1H/2023	Change (%)	2Q2022	2Q2023	Change (%)
No. of Hotels	3	3	-	3	3	-
No. of Keys	499	499	-	499	499	-
Average Occupancy Rate (%)	48.2%	50.4%	2.2%	63.6%	45.5%	(18.1%)
ADR (Baht) <sup>(1)</sup>	6,930	8,079	16.6%	6,894	9,582	39.0%
RevPar (Baht) <sup>(1)</sup>	3,342	4,074	21.9%	4,386	4,362	(0.6%)

#### Note

- (1) Reference exchange rate of 1H22: 15.75 THB/FJD, 0.77 THB/MUR and reference exchange rate of 1H23: 15.48 THB/FJD, 0.75 THB /MUR  
Reference exchange rate of 2Q22: 15.94 THB/FJD, 0.79 THB/MUR and reference exchange rate of 2Q23: 15.53 THB/FJD, 0.76 THB/MUR

The Outrigger Hotels' average occupancy rate plummeted by 18% YoY to 46% in 2Q23 due mainly to the temporarily closure of the Outrigger Mauritius Beach Resort to solve the contaminated water issue and the temporary closure for renovations in some sections at the Outrigger Fiji Beach Resort. However, ADR went up by 39%, being recorded at THB 9,582 from ADR of both hotels in Fiji. The Castaway Island performed extraordinary well with the occupancy rate of over 93% in 2Q23. The average occupancy rate and ADR in 1H23 were higher than those of 1H22 due mainly from the hotels in Fiji, reflecting the recovering tourism industry in Fiji while the Outrigger Mauritius Beach Resort confronted the same problem as mentioned above.

The Company foresees a favorable performance of the Outrigger Hotels in 2H23 and expects to reopen the Outrigger Mauritius Beach Resort again during the second half of this year.

### Project CROSSROADS Hotels

Indicators	1H/2022	1H/2023	Change (%)	2Q2022	2Q2023	Change (%)
No. of Hotels	2	2	-	2	2	-
No. of Keys	376	376	-	376	376	-
Average Occupancy Rate (%)	69.7%	70.5%	0.8%	65.2%	53.7%	(11.5%)
ADR (Baht) <sup>(2)</sup>	13,741	13,813	0.5%	12,499	13,521	8.2%
RevPar (Baht) <sup>(2)</sup>	9,579	9,736	1.6%	8,146	7,258	(10.9%)

#### Note

- (2) Reference exchange rate of 1H22: 33.72 THB/USD and reference exchange rate of 1H23: 34.20 THB/USD  
Reference exchange rate of 2Q22: 34.40 THB/USD and reference exchange rate of 2Q23: 34.48 THB/USD

The hotels in the Maldives registered an average occupancy rate of 54% in 2Q23, decreasing by 12% YoY as Covid-19 receded and fully opened countries around the world temporarily lured travellers to other destinations. . ADR was at THB 13,521 in 2Q23, increasing by 8% YoY. The ADR was maintained at a high level from the resorts prime location with proximity to airport and CROSSROADS project's facilities.

Although the 2Q23's performance was worse than 2Q22's, 1H23's performance was slightly better than that of 1H22. This was mainly from an excellent performance in 1Q23 when the occupancy rate was as high as 87%. The Company anticipates that the outlook in 2H23 will be consistent with the first half's trend from the competitive market and variety of choices to travel to other places around the world. In addition, more channels of distribution such as travel agencies will be extended to attract more guest to the properties.

UK Portfolio Hotels

Indicators	1H/2022	1H/2023	Change (%)	2Q2022	2Q2023	Change (%)
No. of Hotels	27	27	-	27	27	-
No. of Keys	2,940	2,940	-	2,940	2,940	-
Average Occupancy Rate (%)	54.0%	69.9%	15.9%	61.8%	74.1%	12.4%
ADR (Baht) <sup>(3)</sup>	3,300	3,524	6.8%	3,475	3,866	11.3%
RevPar (Baht) <sup>(3)</sup>	1,782	2,463	38.2%	2,146	2,866	33.5%

**Note**

(3) Reference exchange rate of 1H22: 43.80 THB/GBP and reference exchange rate of 1H23: 42.18 THB/GBP  
Reference exchange rate of 2Q22: 43.22 THB/GBP and Reference exchange rate of 2Q23: 43.14 THB/GBP

The UK properties showed an elevated average occupancy rate in 2Q23 at 74%, increasing by 12% YoY as tourism industry well recovered while the ADR also went up by 11% and was recorded at THB 3,866. The first six-month of the year comparison provided the same picture where both average occupancy rate and ADR increased. The consumers tended to spare their discretionary spending on their trips amid higher living costs and sluggish economy. It is expected that the performance for the remainder of 2023 is promising especially in the third quarter as summer will induce the more favorable occupancy rate and ADR.

**Discussion of results of operations:**

Table comparing financial performance of 1H2022 and 1H2023.

	1H2022		1H2023		Change	
	THB million	%	THB million	%	THB million	%
Revenue from services	3,761.0	100.0%	4,821.4	100.0%	1,060.4	28.2%
Costs of services	2,685.9	71.4%	3,203.8	66.5%	517.9	19.3%
<b>Gross profit</b>	<b>1,075.0</b>	<b>28.6%</b>	<b>1,617.5</b>	<b>33.5%</b>	<b>542.5</b>	<b>50.5%</b>
Other income	24.2	0.6%	74.0	1.5%	49.8	206.2%
Selling expenses	161.6	4.3%	226.2	4.7%	64.5	39.9%
Administrative expenses	838.8	22.3%	921.3	19.1%	82.5	9.8%
Gain (Loss) from exchange rate	8.9	0.2%	(14.1)	(0.3%)	(23.0)	(257.2%)
Share of profit (loss) from investment in an associate and joint ventures	(13.7)	(0.4%)	(10.3)	(0.2%)	3.4	24.6%
Finance costs (Interest expenses)	368.3	9.8%	520.9	10.8%	152.6	41.4%
<b>Profit (loss) before income taxes</b>	<b>(274.3)</b>	<b>(7.3%)</b>	<b>(1.2)</b>	<b>(0.0%)</b>	<b>273.1</b>	<b>99.6%</b>
Income tax expenses	26.6	0.7%	(8.9)	(0.2%)	(35.5)	(133.3%)
<b>Profit (loss) of the year</b>	<b>(301.0)</b>	<b>(8.0%)</b>	<b>7.7</b>	<b>0.2%</b>	<b>308.6</b>	<b>102.5%</b>
<i>Adjusted items</i>						
Net unrealized gain (loss) on exchange rate	8.9	0.2%	(18.0)	(0.4%)	(26.8)	(302.7%)
Non-recurring items <sup>[1]</sup>	(1.2)	(0.0%)	(0.7)	(0.0%)	0.5	43.4%
<b>Adjusted EBITDA <sup>[2]</sup></b>	<b>640.3</b>	<b>17.0%</b>	<b>1,112.1</b>	<b>23.1%</b>	<b>471.8</b>	<b>73.7%</b>
<b>Adjusted Net Profit (loss) for the period</b>	<b>(311.1)</b>	<b>(8.3%)</b>	<b>25.0</b>	<b>0.5%</b>	<b>336.0</b>	<b>108.0%</b>



Table comparing financial performance of 2Q22 and 2Q23

	2Q22		2Q23		Change	
	THB million	%	THB million	%	THB million	%
Revenue from services	2,071.3	100.0%	2,277.1	100.0%	205.7	9.9%
Costs of services	1,427.1	68.9%	1,598.9	70.2%	171.8	12.0%
<b>Gross profit</b>	<b>644.2</b>	<b>31.1%</b>	<b>678.1</b>	<b>29.8%</b>	<b>33.9</b>	<b>5.3%</b>
Other income	13.7	0.7%	41.5	1.8%	27.8	202.1%
Selling expenses	81.0	3.9%	111.5	4.9%	30.6	37.8%
Administrative expenses	459.7	22.2%	459.8	20.2%	0.1	0.0%
Gain (Loss) from exchange rate	13.6	0.7%	3.0	0.1%	(10.6)	(77.9%)
Share of profit (loss) from investment in an associate and joint ventures	(4.8)	(0.2%)	(6.1)	(0.3%)	(1.3)	(27.1%)
Finance costs (Interest expenses)	192.7	9.3%	272.7	12.0%	80.1	41.6%
<b>Profit (loss) before income taxes</b>	<b>(66.6)</b>	<b>(3.2%)</b>	<b>(127.5)</b>	<b>(5.6%)</b>	<b>(60.9)</b>	<b>(91.4%)</b>
Income tax expenses	30.3	1.5%	(10.2)	(0.4%)	(40.5)	(133.8%)
<b>Profit (loss) of the year</b>	<b>(96.9)</b>	<b>(4.7%)</b>	<b>(117.2)</b>	<b>(5.1%)</b>	<b>(20.3)</b>	<b>(21.0%)</b>
<u>Adjusted items</u>						
Net unrealized gain (loss) on exchange rate	14.0	0.7%	1.8	0.1%	(12.2)	(87.3%)
Gain (Loss) on non-recurring items <sup>[1]</sup>	(0.3)	(0.0%)	0.4	0.0%	0.7	254.5%
<b>Adjusted EBITDA <sup>[2]</sup></b>	<b>378.4</b>	<b>18.3%</b>	<b>440.5</b>	<b>19.3%</b>	<b>62.1</b>	<b>16.4%</b>
<b>Adjusted Net Profit (loss) for the period</b>	<b>(111.2)</b>	<b>(5.4%)</b>	<b>(118.5)</b>	<b>(5.2%)</b>	<b>(7.4)</b>	<b>(6.6%)</b>

(1) Non-recurring items are defined as Gain (Loss) on the disposal of an asset, gain (loss) from share of JV company transaction, Gain (Loss) from FV adjustment on investment in the joint ventures, and FV adjustment of Investment Property

(2) Adjusted EBITDA is calculated from EBT plus Finance cost, Depreciation and Amortization, Interest income and deduct unrealized gain (loss) from exchange rates, and non-recurring items

### Revenue from services

Total revenue from services in 2Q23 was THB 2,277 million, increasing by 10% YoY mainly from the self-managed hotels in Thailand and the UK portfolio hotels following the larger numbers of travelers in 2023. SHR recorded the total revenue from services in 1H23 at THB 4,821 million, climbing up by 28% from the same period in the previous year due to the growth across the portfolio of all regions of SHR's properties.

### Costs of services

The costs of services in 2Q23 were THB 1,599 million, increasing 12% YoY and were THB 3,204 million in 1H23, rising by 19% as compared with the same period last year. The increases in costs of services were mainly from the self-managed hotels and the UK portfolio hotels, corresponding to the higher revenue both on a quarterly basis and half-yearly basis.

### Gross profit margin

Gross profit margin in 2Q23 was 30%, slightly lower than 31% in 2Q22 due mainly to the declining revenue

from the closure of Outrigger Mauritius Beach Resort. The hike in gross profit margin in 1H23 to 34% from 29% in 1H22 derived mainly from the properties in Thailand whose increased revenue was benefited from fully-opened border.

**Selling and Administrative expenses (“SG&A”)**

SG&A in 2Q23 stood at THB 571 million, increasing by 7% mainly from the properties in Thailand. Higher advertising and employee expenses were spent to uplift revenue. However, SG&A to revenue was 25% in 2Q23, declining from 26% in 2Q22, reflecting the higher operating efficiency.

SHR recorded THB 1,147 million of SG&A in 1H23, rising by 15% when compared with THB 1,001 million in 1H22. However, the SG&A to revenue in 1H23 was 24% which was lower than 27% in 1H22. This implied and improved economies of scales as well as an uplifted efficiency i.e. the revenue grew with faster rate compared to growth in SG&A.

**Finance Costs**

The finance costs for 2Q23 and 1H23 were at THB 273 million and THB 521 million, respectively, higher than those from the same period of last year corresponding to the significant upward movements of the USD, GBP and THB interest rates. However, the Company has mitigated the risk by hedging the interest rate on both USD and GBP loans.

**Share of profit (loss) from an associate and joint ventures**

The share of loss from associate and joint ventures was THB 6 million for 2Q23 and THB 10 million in 1H23. They were a result of the construction period of SO/ Maldives which were realized as a share of loss from the investment in the joint ventures.

**Adjusted EBITDA**

Adjusted EBITDA for 2Q23 was reported at THB 441 million which was higher than THB 378 million in 2Q22 by 16% following the hike in revenue. For 1H23, adjusted EBITDA was 1,112 million, climbing up significantly by 74% from THB 640 million in 1H22 from both higher revenue and higher efficiency in cost and expenses management.

**Profit (loss) for the period**

The Company reported Net Loss for 2Q23 at THB 117 million due mainly from the temporary closure of the property in the Mauritius and the increase in interest expenses, corresponding to the global rising trend in interest rate. Net Profit for 1H23 was recorded at THB 8 million, recovering from the loss in the same period of last year. This was due mainly from rising revenue which could offset the hike in the interest expenses.

### Analysis of Financial Position and Investment Structure

As of 30 June 2023, the Company's total assets were THB 38,010 million, increasing by THB 1,561 million or approximately 4% from 31 December 2022. The increase came mainly from additional property, plant and equipment, net ("PPE") and short-term loan to related parties. Total liabilities of the Company were THB 21,429 million as of 30 June 2023, increasing by THB 999 million or approximately 5% from 31 December 2022. The increase came mainly from long-term loan from financial institutions and long-term lease liabilities. The Company registered a higher amount of total equity at THB 16,581 million as of 30 June 2023 from the improved retained earnings position as the Company generated additional comprehensive income during the first half of the year. The interest-bearing debt to equity as of 30 June 2023 was recorded at 0.81 times, slightly decreased from 0.82 times as of 31 December 2022, reflecting the Company's healthy financial position and sufficient room to fund its sustainable growth during the periods to come.

	Dec 31, 2022	Jun 30, 2023	Change	
	(THB million)	(THB million)	(THB million)	%
Cash and cash equivalents	2,477.3	1,789.6	(687.7)	(27.8%)
Total current assets	4,533.0	5,062.9	530.0	11.7%
Property, plant and equipment, net	28,046.0	29,265.2	1,219.3	4.3%
Total non-current assets	31,916.6	32,947.4	1,030.8	3.2%
<b>Total assets</b>	<b>36,449.6</b>	<b>38,010.4</b>	<b>1,560.8</b>	<b>4.3%</b>
Total interest-bearing debt	13,080.2	13,434.7	354.5	2.7%
Other liabilities	7,350.3	7,994.7	644.5	8.8%
<b>Total liabilities</b>	<b>20,430.4</b>	<b>21,429.4</b>	<b>999.0</b>	<b>4.9%</b>
<b>Total equity</b>	<b>16,019.2</b>	<b>16,580.9</b>	<b>561.8</b>	<b>3.5%</b>
<b>Interest-bearing debt to equity (times)</b>	<b>0.82</b>	<b>0.81</b>	<b>(0.01)</b>	

Yours faithfully,

S Hotels and Resorts Public Company Limited

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(Mr. Issarin Patramai)

Chief Financial Officer

### Investor Relations Contact

Tel: +66 (0) 2058 9888

Email: [ir@shotelsresorts.com](mailto:ir@shotelsresorts.com)