

November 10, 2023

The President & Director,

The Stock Exchange of Thailand (SET)

**LETTER OF CLARIFICATION for CENTEL's Operating Performance Results
for the 3 months ended September 30, 2023**

Central Plaza Hotel Pcl. (the "Company" or "CENTEL") wishes to inform and clarify to the SET regarding the analysis of the Company's operating performance results for the 3 months, ended September 30, 2023 (Q3/2023), with the following details:

1. Overview of the tourism industry in Thailand, the Maldives, Dubai, and Japan
 2. Analysis of the operating performance of the Company and for each respective Business Group
 3. Financial Status of the Company
 4. Factors that may impact ongoing business operations for 2023
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1. Overview of the tourism industry in Thailand, the Maldives, Dubai, and Japan

1.1 The tourism industry in Thailand

The number of international tourist arrivals in Q3/2023 continuously increased to 7 million, a growth of 98% Year on Year (YoY). Chinese and Malaysian reported significant growth by 12 times and 58% compared to the same period last year. The top three arrivals were from Malaysia 17%, China 15%, South Korea and India with equal contributions of 6% of total arrivals each.

For 9 months 2023, the total number of international tourist arrivals was 20 million, an increase of 2.5 times YoY. The top three tourist arrivals were from Malaysia 17%, China 12%, South Korea and India with equal contributions of 6% of total arrivals each.

1.2 The tourism industry in the Maldives

The total number of international tourist arrivals in Q3/2023 was 431,441, a growth of 14% YoY. The growth was significantly driven by Chinese, while the Russian and Indian tourists drop by 22% and 18% YoY. The top three arrivals were from China, Russia, and India with contributions of 19%, 11%, and 9% of total arrivals, respectively.

For 9 months 2023, the total arrivals were 1.4 million, an increase of 14% compared to the same period last year. The number of tourists from India decreased by 11% YoY, whereas the Russian and Chinese tourists increased by 9% and 19 times YoY. The top three tourists were from Russia, India, and China with contributions of 12%, 11%, and 11% of total tourist arrivals, respectively.

1.3 The tourism industry in Dubai

The total number of international tourist arrivals in Q3/2023 was 3.9 million, an increase of 28% YoY, mainly driven by Chinese tourists with a growth of 3 times, and Indian tourists with an increase of 44% compared to the same period last year. The top three arrivals were from India, Saudi Arabia, and Oman with contributions of 14%, 8%, and 7% of total arrivals, respectively.

For 9 months 2023, the total arrivals were 12.4 million, a growth of 23% YoY driven by a growth of Indian 43%, Russian 78%, and Chinese 3 times compared to the same period last year. The top three tourists were from India 14%, Saudi Arabia, the UK, and Russia with equal contributions of 7% of total tourist arrivals each.

1.4 The Tourism Industry in Japan

The total number of international tourist arrivals in Q3/2023 was 6.7 million, a growth of 12 times YoY driven by Asian tourists. The top three arrivals contributed 60% of total arrivals, which were from South Korea 27%, Taiwan 18%, and China 15% of total arrivals.

For 9 months 2023, the total arrivals were 17.4 million, an increase of 16 times compared to the same period last year. The top four tourists accounted for 63% of total arrivals, which were from South Korea 28%, Taiwan 17%, Hong Kong and China with equal contributions of 9% of total tourist arrivals each.

2 Analysis of the operating performance of the Company and for each respective Business Group

2.1 Analysis of the operating performance

Operating Performance for Q3/2023 and Q3/2022

(Amount - in Baht Million)	Q3/2023		Q3/2022		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	2,333	43%	1,508	34%	825
Revenues - food business	3,083	57%	2,984	66%	99	3%
Total revenues	5,416	100%	4,492	100%	924	21%
Cost of sales - hotel business	(906)	-17%	(601)	-13%	305	51%
Cost of sales - food business	(1,394)	-26%	(1,265)	-28%	129	10%
Total cost of sales ⁽¹⁾	(2,300)	-42%	(1,866)	-42%	434	23%
Selling & General Administrative Expenses	(1,895)	-35%	(1,640)	-37%	255	16%
Share of Loss - Investments (by the equity method)	(56)	-1%	(48)	-1%	8	17%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	1,165	22%	938	21%	227	24%
Depreciation & Amortization	(775)	-14%	(793)	-18%	(18)	-2%
Earning before Interest and Tax (EBIT)	390	7%	145	3%	245	169%
Finance Costs ⁽²⁾	(280)	-5%	(184)	-4%	96	52%
Corporate Tax Expense ⁽³⁾	(56)	-1%	(51)	-1%	5	10%
Loss from Non-Controlling Interests	19	0%	12	0%	7	58%
Net Profit (Loss)	73	1%	(78)	-2%	151	194%

(1) Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales

(2) Finance costs excluding interest expenses related to the lease according to TFRS 16 were Baht 140 million (Q3/2022: Baht 101 million)

(3) Corporate tax expense includes deferred tax expense related to the lease of Centara Grand Beach Resort and Villa Hua Hin of Baht 32 million (Q3/2022: None)

- Q3/2023:** The Company achieved total revenues of Baht 5,416 million (Q3/2022: Baht 4,492 million), an increase of Baht 924 million (or a rise of 21% YoY), with the proportion of total revenues between the hotel business and the food business being 43%:57% (Q3/2022: 34%:66%); while a Gross Profit was Baht 2,908 million, an increase of 13% YoY and represented a Gross Profit Margin of 56% of the revenues (excluding other income) that decreased from the same period last year (Q3/2022: 58%) due to a drop of Gross Profit margin of the hotel and food businesses. The Company achieved an Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) of Baht 1,165 million, (Q3/2022: Baht 938 million), an increase of Baht 227 million (or 24% YoY) from Q3/2022. An EBITDA Margin of 22% was an increase compared to last year (Q3/2022: 21%). The Company had an Earning before Interest and Tax (EBIT) of Baht 390 million, an

increase of Baht 245 million or 169% compared to last year, and had a Net profit of Baht 73 million compared to a Net loss of Baht 78 million in last year or improved by 194%.

However in Q3/2023, The company had finance costs of Baht 280 million, or an increase of Baht 96 million YoY, because of accounting impact related to the leases of Centara Grand Osaka and Centara Grand Beach Resort Hua Hin in a total of Baht 67 million, and also an increase in interest rate.

Operating Performance for 9 months 2023 and 2022

(Amount - in Baht Million)	9 months 2023		9 months 2022		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	7,194	44%	4,178	33%	3,016
Revenues - food business	9,336	56%	8,536	67%	800	9%
Total revenues	16,530	100%	12,714	100%	3,816	30%
Cost of sales - hotel business	(2,536)	-15%	(1,557)	-12%	979	63%
Cost of sales - food business	(4,204)	-25%	(3,616)	-28%	588	16%
Total cost of sales ⁽¹⁾	(6,740)	-41%	(5,173)	-41%	1,567	30%
Selling & General Administrative Expenses	(5,658)	-34%	(4,595)	-36%	1,063	23%
Share of Loss - Investments (by the equity method)	(72)	0%	(66)	-1%	6	9%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	4,060	25%	2,880	23%	1,180	41%
Depreciation & Amortization	(2,266)	-14%	(2,368)	-19%	(102)	-4%
Earning before Interest and Tax (EBIT)	1,794	11%	512	4%	1,282	250%
Finance Costs ⁽²⁾	(739)	-4%	(534)	-4%	205	38%
Corporate Tax Expense ⁽³⁾	(221)	-1%	(73)	-1%	148	203%
(Profit) Loss from Non-Controlling Interests	(11)	-0%	(5)	-0%	6	120%
Net Profit (Loss)	823	5%	(100)	-1%	923	923%

- (1) Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales
- (2) Finance costs excluding interest expenses related to the lease according to TFRS 16 were Baht 406 million (9 months 2022: Baht 282 million)
- (3) Corporate tax expense includes deferred tax expense related to the lease of Centara Grand Beach Resort and Villa Hua Hin of Baht 38 million (9 months 2022: None)

- 9 months 2023: The Company achieved Total Revenues of Baht 16,530 million (9 months 2022: Baht 12,714 million), an increase of Baht 3,816 million (or 30% YoY), with the proportion of total revenues between the Hotel Business and the Food Business being 44%:56% (9 months 2022: 33%:67%); while Gross Profit was Baht 9,052 million, an increase of Baht 1,928 million or 27% YoY and represented a Gross Profit Margin of 57% of total revenues (excluding other income) that was a drop compared to the same period last year (9 months 2022: 58%) due to a decrease in Gross Profit margin of the food business. The Company achieved

an EBITDA of Baht 4,060 million (9 months 2022: Baht 2,880 million), an increase of Baht 1,180 million (or 41% YoY). An EBITDA Margin of 25% was an increase from the same period last year (9 months 2022: 23%). The Company had an Earning before Interest and Tax (EBIT) of Baht 1,794 million, an increase of Baht 1,282 million (or 250%) compared to the same period last year, and had a Net profit of Baht 823 million compared to a Net loss of Baht 100 million in last year or improved by 923% YoY.

Nevertheless, for 9 months 2023, the company had finance costs of Baht 739 million or an increase of Baht 205 million YoY, because of accounting impact related to the leases of Centara Grand Osaka and Centara Grand Beach Resort Hua Hin in a total of Baht 122 million, and also an increase in interest rate.

2.2 Analysis of the Operating Results for each respective Business Group

2.2.1 Hotel Business

As of September 30, 2023, the Company had hotels under management in a total of 93 hotels (20,081 rooms); with 51 hotels (11,027 rooms) already in operation together with other 42 hotels (9,054 rooms) still under development. Of the 51 hotels already in operation, 20 hotels (5,566 rooms) are owned and operated by the Company, with the other 31 hotels (5,461 rooms) being operated under the Company's Hotel Management Agreements.

Operations Results - Hotel Business (for owned & operated hotels) Q3/2023

Occupancy Rate (OCC) %	Total Operating Performance		
	Q3/2023	Q3/2022	% Changes
Bangkok	77%	66%	11%
Upcountry	64%	46%	18%
Maldives	70%	52%	18%
Dubai	77%	80%	-3%
Japan	67%	-	67%
Thailand – Average	68%	52%	16%
Total - Average	69%	55%	14%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	Q3/2023	Q3/2022	% Changes
Bangkok	3,832	3,559	8%
Upcountry	4,074	3,646	12%
Maldives	9,558	12,627	-24%
Dubai	5,493	4,401	25%
Japan	6,176	-	NA
Thailand - Average	3,984	3,612	10%
Total - Average	4,652	4,170	12%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	Q3/2023	Q3/2022	% Changes
Bangkok	2,940	2,331	26%
Upcountry	2,605	1,684	55%
Maldives	6,685	6,556	2%
Dubai	4,217	3,510	20%
Japan	4,126	-	NA
Thailand - Average	2,715	1,883	44%
Total - Average	3,214	2,312	39%

Operating performance of the hotel business in Q3/2023

Hotel Business (In Baht Million)	Q3/2023	Q3/2022	% Changes
Revenues - Hotel Business operations	2,154	1,489	45%
Total Revenues (including other income)	2,333	1,508	55%
Gross Profit	1,247	888	40%
% Gross Profit Margin	58%	60%	-2% pts
EBITDA	606	242	150%
% EBITDA Margin	26%	16%	10% pts
Net Loss ⁽¹⁾	(55)	(255)	78%
% Net Loss Margin	-2%	-17%	15% pts

(1) Including deferred tax expense related to the lease of Centara Grand Beach Resort and Villa Hua Hin of Baht 32 million (Q3/2022: None)

- Q3/2023:
 - In Q3/2023, the hotel business improved markedly YoY due to the recovery of hotels in Thailand, Maldives, and Dubai, together with the growth from Centara Grand Hotel Osaka newly opened on July 1, 2023. Overall, the RevPar increased by 39% YoY to Baht 3,214, as a result of the Occupancy Rate (OCC) increasing from 55% in Q3/2022 to 69% in Q3/2023. While the Average Room Rate (ARR) increased by 12% YoY to Baht 4,652.
 - Bangkok: RevPar increased by 26% YoY to Baht 2,940 as a result of the Occupancy Rate (OCC) improving from 66% to 77% and the Average Room Rate (ARR) also increased by 8% YoY to Baht 3,832. The recovery of hotels in Bangkok was driven by 5-star hotels, both Centara Grand & Bangkok Convention Centre at CentralWorld and Centara Grand at Central Plaza Ladprao Bangkok.
 - Upcountry: RevPar increased by 55% YoY to Baht 2,605 as a result of the Occupancy Rate rising from 46% to 64%, and the Average Room Rate (ARR) improved by 12% YoY to Baht 4,074 driven by all tourist destinations, particularly hotels in Phuket, Samui, Pattaya, and Krabi.
 - Overseas:
 - Maldives: RevPar grew by 2% YoY to Baht 6,685. The OCC improved from 52% to 70% but ARR decreased by 24% compared to the same period last year to Baht 9,558. However, considering in USD, the Total Revenue per Available Room (TRRevPar) increased by 18% YoY to USD 339.
 - Dubai: RevPar was Baht 4,217, a growth of 20% YoY, driven by an increase in ARR by 25% to Baht 5,493. While OCC dropped from 80% to 77%.
 - Japan: In Q3/2023, OCC was 67%, ARR of Baht 6,176 and RevPar of Baht 4,126.
 - In Q3/2023, The hotel business achieved total revenues of Baht 2,333 million, an increase of Baht 825 million (or a rise of 55% YoY) due to an increase in revenue from operation of Baht 665 million and other income of Baht 160 million YoY. The hotel business had a Gross Profit of Baht 1,247 million (Q3/2022: Baht 888 million), an increase of 40% YoY

driven by revenue increasing from Thailand and the new hotel in Japan. However, a Gross Profit margin dropped from 60% in Q3/2022 to 58% in Q3/2023 due to Centara Grand Hotel Osaka was still in an operation ramp-up phase. The hotel business had an EBITDA of Baht 606 million (Q3/2022: Baht 242 million) with an EBITDA margin of 26%, which was improved YoY (Q3/2022: 16%). In Q3/2023, the hotel business had a net Loss of Baht 55 million compared to a net Loss of Baht 255 million, or a gain of 78% YoY.

- Operations Results - Hotel Business (for owned & operated hotels) for 9 months 2023

Occupancy Rate (OCC) %	Total Operating Performance		
	9 months 2023	9 months 2022	% Changes
Bangkok	74%	50%	24%
Upcountry	68%	37%	31%
Maldives	71%	68%	3%
Dubai	81%	75%	6%
Japan	67%	-	NA
Thailand – Average	70%	41%	29%
Total – Average	71%	46%	25%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	9 months 2023	9 months 2022	% Changes
Bangkok	3,835	3,164	21%
Upcountry	4,282	3,685	16%
Maldives	12,985	14,788	-12%
Dubai	6,065	5,187	17%
Japan	6,176	-	NA
Thailand – Average	4,133	3,490	18%
Total – Average	4,893	4,642	5%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	9 months 2023	9 months 2022	% Changes
Bangkok	2,841	1,579	80%
Upcountry	2,913	1,363	114%
Maldives	9,264	9,998	-7%
Dubai	4,891	3,900	25%
Japan	4,126	-	NA
Thailand – Average	2,891	1,429	102%
Total – Average	3,482	2,154	62%

Operating performance of hotel business for 9 months 2023

Hotel Business (In Baht Million)	9 months 2023	9 months 2022	% Changes
Revenues - Hotel Business operations	6,562	3,845	71%
Total Revenues (including other income)	7,194	4,178	72%
Gross Profit	4,026	2,288	76%
% Gross Profit Margin	61%	60%	1% pts
EBITDA	2,341	896	161%
% EBITDA Margin	33%	21%	12% pts
Net Profit (Loss) ⁽¹⁾	469	(520)	190%
% Net Profit (Loss) Margin	7%	-12%	19% pts

(1) Including deferred tax expense related to the lease of Centara Grand Beach Resort and Villa Hua Hin of Baht 38 million (9 months 2022: None)

- 9 months 2023:
 - Occupancy Rate (OCC) increased from 46% to 71%, and the Average Room Rate (ARR) improved by 5% YoY to Baht 4,893 which then resulted in the RevPar being increased by 62% YoY to Baht 3,482.
 - Bangkok: RevPar increased by 80% YoY to Baht 2,841, due to an increase in Occupancy Rate (OCC) from 50% to 74%; while Average Room Rate (ARR) was Baht 3,835, an improvement of 21% YoY.

- Upcountry: RevPar raised by 114% to Baht 2,913, resulting from the Occupancy Rate (OCC) improving from 37% to 68%; and the Average Room Rate (ARR) increased by 16% YoY to Baht 4,282.
- Overseas:
 - Maldives: RevPar dropped by 7% YoY to Baht 9,264 as a result of a decrease in ARR by 12% YoY to Baht 12,985. While OCC improved from 68% to 71%. Considering in USD, TRevPar was stable YoY at USD 434.
 - Dubai: RevPar was Baht 4,891, a growth of 25% YoY. OCC rose from 75% to 81% and ARR grew by 17% to Baht 6,065.
 - Japan: RevPar was Baht 4,126, OCC at 67%, and ARR at Baht 6,176.
- For the 9 months 2023, The hotel Business achieved Total Revenues of Baht 7,194 million, an increase of Baht 3,016 million (or 72% YoY). The hotel business had a Gross Profit of Baht 4,026 million (9 months 2022: Baht 2,288 million), an increase of 76% YoY, and a Gross Profit Margin being at 61% was an increase compared to the same period last year (9 months 2022: 60%). The hotel business had an EBITDA of Baht 2,341 million (9 months 2022: Baht 896 million) and EBITDA margin was 33%, an improvement compared to the same period last year (9 months 2022: 21%). For 9 months 2023, a Net profit was Baht 469 million compared to a Net loss of Baht 520 million or a gain of 190% YoY.

2.2.2 Food Business

- Operating Results - Food Business Q3/2023

Same Store Sales (SSS) Growth %	Q3/2023	Q3/2022
Top 4 brands	0%	36%
Other brands*	-3%	112%
Total Average	0%	43%

Total Systems Sales (TSS) Growth %	Q3/2023	Q3/2022
Top 4 brands	5%	44%
Other brands*	-1%	100%
Total Average	4%	51%

*Excluded Joint Ventures' brands

Number of QSR Outlets	Q3/2023	Q3/2022
KFC	329	307
Mister Donut	462	467
Auntie Anne's	217	205
Ootoya	45	46
Pepper Lunch	49	50
Cold Stone Creamery	16	16
The Terrace	5	7
Chubuton	15	16
Yoshinoya	27	32
Tenya	12	12
Katsuya	60	52
Aroi Dee	21	32
Kowlune	1	1
Arigato	206	172
Grab Kitchen by Every Food	16	24
Joint ventures' brands		
Salad Factory ⁽¹⁾	35	28
Brown Café	8	15
Café Amazon - Vietnam ⁽¹⁾	22	14
Som Tum Nua	6	5
Shinkanzen Sushi ⁽¹⁾	50	42
Total	1,602	1,543

⁽¹⁾ Presented as Joint ventures in Financial Statement

Operating performance of the food business in Q3/2023

Food Business (in Baht Million)	Q3/2023	Q3/2022	% Changes
Sales Revenues	3,054	2,940	4%
Total Revenues (including other income)	3,083	2,984	3%
Gross Profit	1,661	1,676	-1%
% Gross Profit Margin	54%	57%	-3% pts
EBITDA	559	696	-20%
% EBITDA Margin	18%	23%	-5% pts
Net Profit	128	177	-28%
% Net Profit Margin	4%	6%	-2% pts

- For operating performance in Q3/2023, the food business achieved Total Revenues of Baht 3,083 million, an increase of Baht 99 million (or an increase of 3% YoY). The Same Store Sales (SSS) was stable compared to the same period last year and Total System Sales (TSS) grew by 4% YoY. The revenue was growing at a slower pace partially due to a decrease in delivery revenue because customer behaviour reverted to dine-in in similar manner as pre-Covid period.
- At the end of Q3/2023, the company had in total of 1,602 outlets, an increase of 59 outlets or a growth of 4% compared to Q3/2022. Most of the outlet expansion was driven by KFC (+22), Auntie Anne's (+12), Salad Factory (+7), Shinkanzen Sushi (+8), Arigato (+34) mainly driven by shop-in-shop in Mister Donut outlets.
- The food business had a Gross Profit of Baht 1,661 million (Q3/2022: Baht 1,676 million), a drop of 1% YoY. While Gross Profit margin was at 54% of food revenue (excluded other income), a decrease YoY (Q3/2022: 57%). Under the pressure of the volatility of the raw materials cost, the company had implemented margin protection measurements; including but not limited to, menu price adjustment for certain products that were exposed to adverse impacts from cost-push factor, appropriate sale promotions and campaigns, the procurement of raw materials substitution, and entering long-term contracts with suppliers for key materials. In Q3/2023, The food business had Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) of Baht 559 million, or a drop of 20% YoY. EBITDA margin was at 18%, a decrease YoY (EBITDA margin Q3/2022: 23%). In Q3/2023, the food business had a Net profit of Baht 128 million, a decrease of Baht 49 million, or 28% YoY. The drop in profit margin was mainly due to an increase in raw materials price, rental fee, and electricity price compared to the same period last year.

Operating Results - Food Business for 9 months 2023

Same Systems Sales (SSS) Growth %	9 months 2023	9 months 2022
Top 4 brands	5%	19%
Other brands*	1%	49%
Total Average	4%	23%

Total Systems Sales (TSS) Growth %	9 months 2023	9 months 2022
Top 4 brands	9%	25%
Other brands*	11%	54%
Total Average	9%	30%

*Excluded Joint Ventures' brands

Operating performance of the food business for 9 months 2023

Food Business (in Baht Million)	9 months 2023	9 months 2022	% Changes
Sales Revenues	9,230	8,451	9%
Total Revenues (including other income)	9,336	8,536	9%
Gross Profit	5,026	4,836	4%
Gross Profit Margin %	54%	57%	-3% pts
EBITDA	1,719	1,984	-13%
% EBITDA Margin	18%	23%	-5% pts
Net Profit	354	420	-16%
% Net Profit Margin	4%	5%	-1% pts

- For the performance of 9 months 2023, The food business had a total revenue of Baht 9,336 million, an increase of Baht 800 million (or 9% compared to 9 months 2022). The SSS increased by 4% YoY. The top four brands reported SSS growth at 5% YoY and the others were at 1% YoY. The Average TSS was 9% YoY with the top four brands' TSS at 9% and the others' TSS at 11% compared to the same period last year. The food business had a Gross profit of Baht 5,026 million, a rise of 4% YoY with a Gross Profit margin of 54%, a drop YoY (9 months 2022: 57%). An EBITDA was Baht 1,719 million, a decrease of 13% YoY, with an EBITDA margin of 18% (9 months 2022: 23%). The food business had a Net profit of Baht 354 million, a

drop of Baht 66 million YoY (or 16%). The declining profit margin was mainly because of an increase in key raw material prices, electricity price, and rental fee.

3 Financial Status

Financial Position and Cash Flows

As of September 30, 2023, the Company had Total Assets of Baht 53,694 million, an increase of Baht 5,528 million or 11% compared to the end of 2022, due mainly to an increase of Right-of-use assets of Baht 6,681 million related to renewing the long-term lease contract of Centara Grand Beach Resort Hua Hin and a new lease contract of Centara Grand Hotel Osaka. On the other hand, Cash and cash equivalents dropped by Baht 1,012 million, and Trade and other receivables fell by Baht 398 million compared to year-end 2022.

Total Liabilities were Baht 33,688 million, a rise of Baht 4,413 million or 15% compared to the end of 2022. The increase in total liabilities was mainly from lease liabilities of Baht 6,719 million related to renewing the long-term lease contract of Centara Grand Beach Resort Hua Hin and the new lease contract of Centara Grand Hotel Osaka. Debenture increased by Baht 447 million, while short-term loans dropped by 193 million, a decrease in long-term debt from financial institutions of Baht 1,763 million, and a drop of Trade and other payables by Baht 783 million.

The Company had Total Shareholders' Equity of Baht 20,006 million, an increase of Baht 1,115 million from the end of 2022, mainly resulting from an increase in the Company's Net Profit for 9-month period by Baht 823 million and foreign currency translation of financial statements by Baht 309 million.

As of September 30, 2023, the Company had Net Cash from Operating activities totaling Baht 3,437 million, an increase of Baht 601 million YoY, together with Net Cash used in Investing activities of Baht 1,357 million, a rise of Baht 128 million (or 10%), which mainly consisted of payments to purchase property, plant, and equipment totaling of Baht 1,535 million and an increase in investments to joint ventures of Baht 130 million. While interest income was Baht 252 million. The Company had Net Cash used in Financing activities totaling Baht 3,223 million, an increase of Baht 1,495 million YoY, mainly from principal repayments of Lease liabilities of Baht 1,188 million, repayment of debenture of Baht 1,043 million, and repayment of long-term loan of Baht 6,100 million, which netted off cash received from long-term loan from financial institution of Baht 4,393 million and cash received from issuing debenture of Baht 1,500 million.

Analysis of Financial Ratios

Financial Ratios	Q3/2023	2022
Current Ratio (times)	0.6	0.6
Interest Bearing Debt / Equity (times)	1.4	1.2
Interest Bearing Debts (excluding lease liabilities) / Equity (times)	0.7	0.8

As of September 30, 2023, the Company's current ratio was stable at 0.6 times compared to the end of 2022. Interest Bearing Debts/Equity Ratio increased to 1.4 times due to accounting impact related to the leases of Centara Grand Hotel Osaka and Centara Grand Beach Resort Hua Hin. While the Interest-Bearing Debts (excluding lease liabilities) / Equity was 0.7 times, which decreased from the end of last year because of a drop of long-term loans from financial institutions. Additionally, the covenant with financial institutions is at 2.0 times Interest Bearing Debts (excluding lease liabilities) / Equity.

4 Factors that may impact ongoing business operations

- Factors that may impact ongoing business operations in 2023:

Hotel Business: The pressure of operating cost increasing with high volatility, global economic slowdown, and geopolitical conflicts are the challenges. Therefore, the company continued operating the business with a cautious cost-control. At the same time, the Company still pursues investment expansion plan in the next two to three years in order to foster future growth with cautious capital allocation.. During the increasing high interest rate environment, company issued debentures and/or utilized fixed-rate loans to increase the proportion of fixed-rate debt in order to reduce the interest rate risk, and prepaid long-term loans by using operating cash flow to reduce interest expenses.

- In 2023, the Company recognizes the operating performance of a newly owned hotel:
 - Centara Grand Hotel Osaka, a 5-star hotel with 515 keys, opened on July 1, 2023. The Company holds 100% of its stake in Centara Osaka Japan Kabushiki Kaisha (KK), a subsidiary, that leases the property to operate the hotel. Simultaneously, the Company holds 53% of its stake in Centara Osaka Tokutei Mokutei Kaisha (TMK) at the end of Q3/2023, a Joint Venture, that owns the hotel property. The accounting treatment for this project is as follows:

- Centara Osaka Japan Kabushiki Kaisha (KK): a 100% owned subsidiary and a lessee to operate the hotel. The full performance of KK is consolidated in the consolidated financial statements.
 - Centara Osaka Tokutei Mokutei Kaisha (TMK): The Company holds 53% at the end of Q3/2023. It is a joint venture and the asset owner. The TMK is accounted for in the consolidated financial statements using the equity method.
- In addition, the Company has a plan for major renovations of 2 hotels in Thailand:
 - Centara Karon Resort Phuket with 335 keys: The full closure of renovation started in Q3/2023.
 - Centara Grand Mirage Beach Resort Pattaya with 553 keys: The partial closure with limited impact on operation started in Q3/2023.
 - The accounting impacts from the leases of Centara Grand Beach Resort Hua Hin and Centara Grand Hotel Osaka are expected on Depreciation, Interest Expenses, and Income tax income (expense) from Deferred Tax treatment. The company signed the contract in Q2/2023 and the impacts as the following details:

The impact of Lease Contracts (Unit: Baht Million)	Q2/2023	Q3/2023	Q4/2023
Centara Grand Beach Resort and Villas Hua Hin			
● Depreciation	(8)	(15)	(15)
● Interest Expenses	(13)	(25)	(24)
● Income tax income (expense) from Deferred Tax	-	(32)	8
Centara Grand Hotel Osaka			
● Depreciation	(28)	(28)	(28)
● Interest Expenses	(42)	(42)	(42)

Food Business: The Company realized the situation of increasing and instability of raw materials prices and operating expenses. Therefore, the company has a plan to continually negotiate with raw materials suppliers, engaging in forward contracts of certain key materials to reduce the risk of price volatility, finding alternative sources, launching new products, price increases, and new promotions and campaigns corresponding to cost structure change. Additionally, the Company increased in sales distribution channels including online and other platforms (Omni Channel), revamped the underperforming outlets to achieve the

targeted profit margin, and was cautious on new outlet expansion due to an increase in operating expenses.

The Company has been focusing on improved productivity and maintaining the targeted profit margin through three key pillars; namely: generating revenues, decreasing costs and expenses, and prudent on business expansion and investment projects.

- Business plan for sustainability growth

According to the long-term target plan from 2020-2029, the Company plans to reduce energy consumption, water usage, waste, and the emission of greenhouse gases by 20% compared to 2019. In Q3/2023, the Company entered into a Memorandum of Understanding (MOU) with SCG Cleanergy Company Limited to utilize the technology of "Smart Energy" system in Centara Hotels & Resorts. Both Centara and SCG Cleanergy will further study and plan to utilize the solar energy integration of "Smart Grid" technology, a smart electrical network operated by the SCG Cleanergy Platform in the hotels to increase the proportion of renewable energy of portfolio. This strategic partnership marks Centara's dedication to embracing the "Smart Hotel" to reduce emissions of greenhouse gas from operation by 20% within the next decade.

- Business trends for 2023

- Hotel Business: In 2023, the Occupancy rate (included JV's hotels) is expected to be 68%-72%, and the Revenue per Available Room (RevPAR) to Baht 3,400 – 3,700.
- Food Business: In 2023, The Company estimated Same-Store-Sales (excluded Joint Ventures) growth range 3% - 5% and Total-System-Sales growth of 8%-10% compared to the same period last year. For the outlet expansion, the Company plans to have a net increase, including the joint ventures' brands, of 50-60 outlets (including the shop-in-shop of Arigato in Mister Donut) compared to 2022. The company is more cautious about new outlet expansion focusing on key brands, which could generate high profit margin to improve the company's profitability. At the same time, the company also aims to improve the profit margin of existing outlets by reducing the size and adjusting business model, taking into account potential changes in sales and target customers in order to correspond with current situation..

For your information accordingly;

Respectfully Yours,

A handwritten signature in blue ink, appearing to read "Gun Srisompong", is centered on the page. The signature is written in a cursive style with a light blue background behind it.

(Mr. Gun Srisompong)

CFO & VP Finance and Administration

Appendix

Key significant items in Q3/2023 compared to same quarter last year are following details:

Items (Unit: THB mn)	Q3/2023	Q2/2023	Q1/2023	Q3/2022	Q2/2022	Q1/2022
Depreciation of the lease contract of Centara Grand Hotel Osaka	(28)	(28)	-	-	-	-
Interest expenses of the lease contract of Centara Grand Hotel Osaka	(42)	(42)	-	-	-	-
Depreciation of the lease contract of Centara Grand Beach Resort and Villa Hua Hin	(15)	(8)	-	-	-	-
Interest expenses of the lease contract of Centara Grand Beach Resort and Villa Hua Hin	(25)	(13)	-	-	-	-
Deferred tax expense of the lease contract of Centara Grand Beach Resort and Villa Hua Hin	(32)	(6)	-	-	-	-
Gain (Loss) from exchange rate	3	38	25	(105)	(10)	90