## Singha Estate Public Company Limited
## Management Discussion and Analysis Q3/2023

### Executive Summary

The Thai economy grew within a limited range as the export sector and manufacturing production were affected by the global economic slowdown, especially the fragile Chinese economy. However, there is still main support from private consumption and the tourism sector. Foreign tourists traveling to Thailand is still projected to recover as targeted, resulting in the service sector continuously recovering. The Company announced the total revenue for the first nine months of the year 2023 (9M2023) of THB 10,072m, increased by 19% from the first nine months of 2022 (9M2022). The revenue from sales of real estate increased 34% to THB 1,902m in 9M2023, comprising of (1) the revenue from sale houses and condominium units amounted to THB 1,692m which separated to condominium 33% and landed properties 67% of total sales, (2) the rental fee from long term lease agreement of Singha Complex building amounted to THB 175m and (3) the revenue from sale industrial area amounted to THB 36m from the land transfer in S Industrial Estate Angthong.

In addition, the revenue from rental and services for 9M2023 in an amount of THB 8,169m improved by 16% from the last year, brought up by the remarkable performance of hospitality business. Accordingly, revenue from hospitality business reported at THB 7,222m, improving by 18% from same period last year. The revenue generated from commercial business is able to deliver a stable performance in every quarter, reporting a revenue of THB 769m for 9M2023. In addition, the revenue from construction increased to THB 146m from the construction of Santiburi The Residences which is a residential construction project undertaken by the company following the ownership transfer.

The Company reported Adjusted EBITDA for the period of THB 2,276m, improved 32% from the same period last year. This was mainly attributed to the revenue improvement from residential business couple with the strong turnaround of hospitality business and its greater economy of scale. At the same time, the company push efforts to the efficient cost control measures, which are suitable for the phase of business enhancement and expansion into new markets.

Whereas the Company predicts the positive momentum on the revenue growth for the fourth quarter of 2023 (Q4/2023). This will be supported by the business expansion in horizontal projects, the accelerated transferred activities, and the strong demand in tourism sector towards the end of the year.

**Residential business**

During the period, the Company recorded revenue from sale of horizontal-housing projects in an amount of THB 1,139m, comprising of (1) Land transfer of 1 plot at Santiburi the Residences, making the backlog of 5 land plots (2) Detached houses transfer of 7 plots at SIRANINN Residences, making the backlog of 3 land plots and (3) First time revenue recognition from land transfer of LA SOIE De S the flagship cluster home, making the backlog of 1 plot. Consequently, the backlog pending for transfer as of 30 September 2023 amounted to THB 3,831m. The Company expects to realize revenue from the ownership transfer approximately 60% of total backlog for remainder of this year.

With respect to high-rise projects, the Company recorded revenue from sale of condominium project in an amount of THB 554m, followed by the expansion of share ownership of The ESSE Sukhumvit 36 project, resulting in the ability to fully recognize the revenue and profits from the project. This will support the revenue growth of the Company during the rest of the year towards 2024. Moreover, The Extro has grew its sales and development progress continuously, held backlog pending for transfer of THB 1,241m with target to start transfer from the beginning of 2024 onwards. In relation to portfolio expansion, In May 2023, the Company has entered into joint investment with the expert partnership to develop condominium project with the price positioning of 100,000 – 200,000 baht/sq.m.. As the Company foresees the promising recovery in the condominium market particularly the mid income buyers and above and expects to expand business into the potential growth market. This project sets target to start transfer from 2024 onwards.

In June and July 2023, the company unveils “LA SOIE De S” and “SMYTH’S Ramintra” as its latest brands for Ultra Luxury homes. The company foresees that this type of project will help to reduce the limitation of sizable land acquisition and will play an important role to differentiate Singha Estate product from competitors. The cluster home projects will feature just four super exclusive homes, with specially curated functions and designs for specific target groups. Singha Estate also introduces S'RIN a new premium luxury residences project valued at over THB 3,700m in a prospective location, Ratchaphruek - Phutthamonthon Sai 1 on October 2023. This project can well attract customers attention, recording the presales at 10% after its launch. Accordingly, the Company has confidence in the immediate revenue recognition of this project by 2023, pushing the revenue of residential business to significantly improve from the previous year.

For Q4/2023, the Company unveils its plan to launch “SHWAN” the new 2 Luxury horizontal housing projects, starting price at 19 – 45 million baht. This is the company’s key path to enlarge the customer base and expand its horizontal real estate portfolio to completely cover all of segments at the upper level which is considered as the Company’s expertise.

Detail of the segmentation and price range of Singha Estate’s housing projects can be summarized as follows:

| Brand | Project | Segment | Price range |
|---|---|---|---|
| Santiburi the Residences | Customization Home | Ultra Luxury | THB 250 million per unit |
| LA SOIE de S | Cluster Home | Ultra Luxury | THB 550 million per unit |
| Smyth Residences | Cluster Home | Ultra Luxury | THB 100 million per unit |
| SIRANINN Residences | Single-detached house | Super Luxury | THB 50 - 100 million per unit |
| S RIN | Single-detached house | Premium Luxury | THB 30 - 50 million per unit |
| SHAWN | Single-detached house | Luxury | THB 15 - 30 million per unit |

### Hospitality business

At present, all hospitality business of the Company was under the management of the Company's subsidiary – SHR, operating 38 properties 4,552 keys in the portfolio.

The international tourism industry continues to show signs of a robust and sustained recovery, as reflected by the aggregate international tourist arrivals reported by the United Nations World Tourism Organization. From the beginning of the year until July 2023, there have been more than 700 million international tourist arrivals, a growth of over 43% compared with the same period in the previous year, accounting for a recovery of 84% compared to the year 2019.

Nevertheless, the current constraints on international flight availability, which remain below pre-pandemic volumes, have affected the elevated travel costs. This has led to a growth in domestic and regional travel, as evidenced by the revenue passenger-kilometer (RPK) for short-haul flights, which has shown stronger growth than long-haul flights. It is anticipated that inter-regional travel will recover in the Q4/2023 and into 2024, particularly in the Asian region, which is entering its peak tourist season. This recovery is supported by the sustained high demand for travel and the expected increase in the number of international flights, which could alleviate the concerns about high travel costs that have persisted over the past period.

Thailand

The Ministry of Tourism and Sports reported the number of international tourists arriving in Thailand during the first nine months of 2023 at 20 million people led by visitors from Southeast Asia, East Asia, and Europe, accounting for a combined proportion of 83% of the total number of tourists. The trend for the fourth quarter of this year through to the first quarter of 2024, which corresponds to the high season, is expected to see an increase in tourists from long-haul markets with high purchasing power, particularly from Russia, Germany, the United Kingdom, and the United States, which is reflected by the increased availability of international flights. Furthermore, the exemption of visa requirements and the extension of visa periods for tourists from certain countries, along with a government budget of THB 600 million for tourism promotion campaigns, are expected to be supportive factors for the tourism sector.

Regarding the performance during the first nine months of 2023, the hotels in Thailand have seen a significant improvement in both the average occupancy rates and the ADR compared to the same period in the previous year. Moreover, they have successfully returned to the levels seen during the same period of 2019, even though the number of international tourists has not yet fully recovered to those levels. This success is attributed to the hotels' rebranding efforts, proactive marketing strategies, and the advantageous locations of the Company's properties. However, the overall performance may be limited by the number of available rooms for sale due to the temporary closure of some rooms for renovations aimed at uplifting the long-term ADR. The Company anticipates that the limited number of rooms available for sale at the beginning of the fourth quarter at the SAii Phi Phi Island Village and SAii Laguna Phuket hotels may affect the RevPAR during the early period of the high season.

However, the Company has planned for the newly renovated rooms to be available to tourists during the peak of the high season, from December to April, to offer an enhanced guest experience and to significantly and sustainably uplift the ADR in the future. It is also anticipated that the average occupancy rate during this period will be robust. The Company forecasts that, during the first quarter of 2024, the full availability of rooms and the introduction of new product offerings, coupled with the recovery of the tourism market in Koh Samui, will be key drivers in driving the RevPAR upwards, compared to the first quarter of 2023.

Republic of Maldives

The Ministry of Tourism registered the total number of tourists visiting the Maldives at 1.36 million visitors by the end of September 2023, a 14% increase from the same period in the previous year and accounting for approximately 76% of the 2023 tourist arrival target. The primary tourists included travelers from Russia, India, and China, contributing 12%, 11%, and 11% to the total tourist arrivals, respectively. The company's properties recorded an average occupancy rate of 69% during the first nine months of 2023, exceeding the industry average of 58%, and marking a slight increase from the 67% recorded during the first nine months of the previous year.

However, if we consider only the third quarter of 2023, the average occupancy rate has marginally improved to 63% from 61% in the previous year. Yet, the ADR experienced a substantial decrease of 20% compared to the previous quarter. This is mainly due to (1) the resurgence of Chinese tourists which consider as the price sensitive market in the third quarter of 2023 to 145,986 visitors, accounting for a 63% recovery compared to the same period in 2019, and an 80% increase from the previous quarter. (2) The impact on the adjusting travel budgets to be aligned with the economic conditions has led to heightened price competition compared to the previous year. (3) The overall global tourism outlook shows that the growth rate of intra-regional travel has outpaced inter-regional travel due to rapidly increasing travel costs.

The improved stability in various policies following the presidential election, coupled with the findings of the Quarterly Business Survey by the Central Bank of Maldives for the third quarter, indicated a clear increase in employment within the tourism sector, and the resumption of more airline services, particularly long-haul flights during the high season, these supportive factors align with the recovery perspective of room bookings. Consequently, the Company anticipates that the performance trend for the fourth quarter of 2023 through to the first quarter of 2024 will show improvement. This outlook is underpinned by strategies to strengthen sales channels, such as expanding travel agency partnerships and exploring additional customer bases.

United Kingdom

The Office for National Statistics ("ONS") disclosed the 1H23 inbound update showing approximately 17.6 million visitors traveled to the UK during January-June 2023, increased by 50% compared with the same period of the previous year. ONS projects that the total number of visitors for the entire year of 2023 will reach approximately 37.5 million, which would represent 92% of the total number of travelers in 2019. Furthermore, the ONS anticipates a continuous recovery trend that may exceed these levels in 2024, as the pressures of living costs are expected to ease.

The UK's domestic tourism continues to exhibit positive trends, as studies by NielsenIQ and Mintel reveal that a growing number of British tourists are choosing domestic travel, because of its cost-effectiveness and lower travel expenses. These factors have contributed to the UK portfolio hotels achieving an average occupancy rate of 72% during the first nine months of 2023, while the ADR reported at £87, showing a marked increase from the same period in the previous year. This performance is attributed to strategic plans for effective pricing.

However, the Company expects that the performance for the remainder of the year may be impacted by a decline in the ADR due to the off-peak tourism season. However, a positive effect is expected from the growth in non-room revenue, such as from hosting conferences, and events, and particularly from food and beverage sales during the festive season. The Company is prepared to implement appropriate pricing strategies coupled with a stringent plan for cost and expense control. The Company has entered hedging contracts for utility costs for the upcoming winter, as well as using other financial instruments such as interest rate swaps to further mitigate financial risks.

<u>Republic of the Fiji</u>

For the first nine months of 2023, the Republic of Fiji welcomed 689,147 tourists, primarily composed of Australian, New Zealand, and American nationals, who accounted for 46%, 24%, and 11% of the total tourist arrivals, respectively. The initiation of direct flights from Canada has led to a remarkable increase of 162% in Canadian tourist arrivals compared to the same period in the previous year. Furthermore, according to a report by the Asian Development Bank (ADB), it is projected that the number of tourists for the entire year will surpass the levels of 2019, with a continuing upward trend expected into 2024, which is supported by the recovery of travelers from Europe, along with the resumption of flights from China, Japan, and Hong Kong.

The hotels in Fiji have performed extraordinarily well in the first nine months of 2023, with an improved average occupancy rate and ADR compared to the same period in the previous year. This is due to the successful increase in room rates following the introduction of new products after renovations, marking the hotels ADR to improve by 60% in Q3/2023 compared to last year. The outlook for the fourth quarter of 2023 is expected to remain positive from continuous efficient management, despite the temporary closure of certain parts of the Outrigger Fiji Beach Resort for renovations. However, the renovation plan is set to be completed ahead of schedule by the end of November, which the Company believes will allow for an upward adjustment of the ADR for the remainder of the year and into 2024. This adjustment is anticipated to contribute to the notable growth in the performance of hotels in Fiji in the coming year.

<u>Republic of Mauritius</u>

Mauritius's tourism industry has shown a stable recovery with an increase in the number of tourists, duration of visits, and tourist spending. In the first nine months of 2023, there were 901,126 visitors arriving in Mauritius, representing a 93% recovery compared to 2019. Travelers primarily consisted of those from France, the United Kingdom, and Germany, who are high spenders and accounted for 34%, 11%, and 9% of the total visitors, respectively. Moreover, the government has implemented measures to support tourism and investment on the island, including an increase in the marketing and promotion budget of 500 million rupees and initiatives to achieve Green Certification by the year 2030.

The Outrigger Mauritius Beach Resort has been reponed at the end of October and anticipates that both the average occupancy rate and the ADR will improve with the approaching of the high season.

### Commercial business

The average occupancy stood at 84% for the first nine months of 2023. The Company expects for a lease renewal with key tenants, as well as, the additional space set to let out to the new customer as the Company's existing properties have been well maintained to ensure their attractiveness. The Company continued to focus on the balancing customer portfolio management and the offering of new business models to cope with tenants' changing demand. With the prime location in alternative areas like Vibhavadi and CBD periphery zone such as Prompong and Asoke is perfectly match with the requirement of tenants who seek for the reasonable budget. Moreover, the Company concentrates to secure the long-term rentals to mitigate the impact of fierce competition in the future.

The S OASIS project is the latest Grade A office building located in Non-CBD are with a leasable area of approximately 54,000 square meters. The competitive advantage of this building is the integration of Hybrid Workplace that can provide high working flexibility. The S OASIS building is located in a high potential area. The design adheres to LEED standards (Leadership in Energy & Environmental Design), prioritising energy conservation and environmental issue, an essential component of office buildings that will be an alternative for tenants. Therefore, the Company is confident in boosting the occupancy rate of S OASIS. According to the current progress of leasing space, the occupancy rate for retail space has reached over 96% in September 2023. For the office space has secured a contract and expect to let out the rental space of 30% in December 2023. The Company expects that the moving in of anchor tenants will cause a positive impact on the rapid pace of ramping up in the next phase.

### New Business: Industrial estate and Infrastructure

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

(1) Industrial estate business: The revenue stream is comprised of the revenue from sale industrial area, the facilities management fee, and income from warehouse rental space. The industrial zone included General Industrial Zone, Food Industrial Zone, and Power Plants, considering as the total Saleable Area of 992 rais.

With its current progress of development of S Industrial Estate Angthong, the construction progress is still on track and holds the accumulative land transfer of 87 rais as of September 2023. The Company expects the accelerate growth of transfer activities in 2024, followed by the completion of land and infrastructure development. S Angthong has already sets to unveil an Industrial Estate Authority of Thailand's (I-EA-T) One Stop Service Center in its compound. This center will comprehensively support S Angthong's operations as an industrial estate. With supportive factors, the Company targets to transfer during the next three year of 20% - 25% of total saleable area per year during 2024 - 2025.

(2) Power plant business: The company will recognize the revenue through profit-sharing with a business partner.

Under 30% joint-venture deal, Singha Estate will operate three power plants with more than 400 MW capacity, with licensing 270 MW, or around 70% being under the 25-year-term power purchase agreement with the Electricity Generating Authority (EGAT). B.Grimm Power (Angthong) 1 – 2 Company Limited have commenced commercial operation and B.Grimm Power (Angthong) 3 is expected to start Commercial Operation Date in November 2023.

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

## Consolidated Statement of Comprehensive Income

| | Q3/2022 | | Q3/2023 | | % Y-o-Y | 9M2022 | | 9M2023 | | % Y-o-Y |
|---|---|---|---|---|---|---|---|---|---|---|
| | THB m | % | THB m | % | | THB m | % | THB m | % | |
| Revenue from sales of real estate | 0 | 0% | 521 | 16% | *N/A* | 1,419 | 17% | 1,902 | 19% | 34% |
| *House and condominium units* | *0* | *0%* | *521* | *16%* | *N/A* | *1,222* | *14%* | *1,692* | *17%* | *39%* |
| *Industrial Estate* | *0* | *0%* | *0* | *0%* | *N/A* | *197* | *2%* | *36* | *0%* | *N/A* |
| *Rental fee from long term lease* | *0* | *0%* | *0* | *0%* | *N/A* | *0* | *0%* | *175* | *2%* | *N/A* |
| Revenue from rental and services | 2,701 | 100% | 2,708 | 84% | 0% | 7,072 | 83% | 8,169 | 81% | 16% |
| *Hospitality* | *2,362* | *87%* | *2,400* | *74%* | *2%* | *6,123* | *72%* | *7,222* | *72%* | *18%* |
| *Commercial* | *256* | *9%* | *259* | *8%* | *1%* | *767* | *9%* | *769* | *8%* | *0%* |
| *Others business* | *83* | *3%* | *47* | *1%* | *-43%* | *182* | *2%* | *177* | *2%* | *-3%* |
| **Revenue** | **2,701** | **100%** | **3,229** | **100%** | **20%** | **8,491** | **100%** | **10,072** | **100%** | **19%** |
| **Gross profit** | **1,044** | **39%** | **1,199** | **37%** | **15%** | **2,905** | **34%** | **3,453** | **34%** | **19%** |
| Other income | 108 | 4% | 121 | 4% | 11% | 156 | 2% | 301 | 3% | 93% |
| Selling expense | -127 | -5% | -168 | -5% | 33% | -419 | -5% | -503 | -5% | 20% |
| Administrative expense | -600 | -22% | -698 | -22% | 16% | -1,761 | -21% | -1,956 | -19% | 11% |
| Finance costs | -354 | -13% | -484 | -15% | 37% | -940 | -11% | -1,382 | -14% | 47% |
| Net gains on exchange rate | 25 | 1% | 22 | 1% | -15% | 34 | 0% | 12 | 0% | -65% |
| Share of loss from investment in joint ventures | 11 | 0% | -10 | 0% | -192% | 47 | 1% | 38 | 0% | -20% |
| **EBT** | **108** | **4%** | **-19** | **-1%** | **-118%** | **22** | **0%** | **-37** | **0%** | **-272%** |
| Income tax expense | 14 | 1% | -72 | -2% | 621% | 38 | 0% | -130 | -1% | 443% |
| **Profit (loss) for the period** | **121** | **4%** | **-91** | **-3%** | **-175%** | **60** | **1%** | **-167** | **-2%** | **-381%** |
| **EBITDA** | **748** | **28%** | **778** | **24%** | **4%** | **1,702** | **20%** | **2,271** | **23%** | **33%** |
| **Normalized EBITDA** | **727** | **27%** | **747** | **23%** | **3%** | **1,726** | **20%** | **2,276** | **23%** | **32%** |
| **Normalized Profit for the Period after NCI** | **22** | **1%** | **-130** | **-4%** | **-685%** | **-22** | **0%** | **-134** | **-1%** | **-521%** |

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

### Revenue from sales of real estate

Revenue from sales of real estate represents revenue from sales of house and condominium units, revenue from sales of industrial area and the rental fee from long term lease agreement.

*Revenue from sales of house and condominium units*

As of 30 September 2023, the Company and its subsidiaries has developed 6 residential projects for sales including horizontal houses and condominiums, valued at THB 18,921m[1]. In 9M2023, revenue from sales of house and condominium units reached THB 1,692m, improving by 39%. This was mainly attributed to the 100% revenue recognition of The ESSE Sukhumvit 36 after became a single shareholder in an amount of THB 548m, the ownership transfer of Siraninn Residences in an amount of THB 566m, and the first-time recorded revenue from LA SOIE De S, the new cluster home project in an amount of THB 450m.

Residential projects for sales as of 30 September 2023 [1]:

| Project | Project value (THB m) | Sold | Transfer |
|---|---|---|---|
| The ESSE Sukhumvit 36 | 5,908 | 80% | 79% (of project value) |
| Santiburi The Residences | 4,987 | 100% | 68% (of project value) [2] |
| Siraninn Residences | 2,905 | 59% | 48% (of project value) |
| SENTRE | 92 | 29% | 29% (of project value) |
| LA SOIE De S | 1,035 | 53% | 43% (of project value) [2] |
| The EXTRO | 3,996 | 31% | 2024 |

*Note: [1] Information provided in the table excludes the projects value of S'RIN Ratchaphruek - Sai 1 which was introduced on October and other under development projects.*

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

*Revenue from sales of industrial area*

The Company reported revenue from sales of industrial area in an amount of THB 36m for the first nine months of 2023.

*Rental fee from long term lease agreement*

The Company recorded the rental fee from long term lease agreement of Singha Complex building in an amount of THB 175m for the first nine months of 2023.

### Revenue from rental and services

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

*Hospitality Business*

In the first nine months of 2023, the company had revenue from sales and services of THB 7,222m, increased by 18% from the previous year. This was mainly due to revenue growth in all geographies across the portfolio where the company operates business, particularly in Thailand where the growth was doubled. The UK portfolio, which has continuously uplifted efficiency resulting in good performance of 12% YoY growth remained the major revenue contributor, accounting for 42% of total revenue from services. The project CROSSROADS, which was affected by the low season price competition, and The Outrigger, which is undergoing temporary partial renovations, reported modest revenue increases of 5% and 2%, respectively, in the first nine months of 2023 compared to the same period in the previous year.

Operating performance of Hospitality business

| Hotels | Q3/2022 | Q3/2023 | 9M2022 | 9M2023 |
|---|---|---|---|---|
| Self-Managed Hotels[1] | | | | |
| Number of hotel[1] | 4 | 4 | 4 | 4 |
| Number of key[1] | 604 | 604 | 604 | 604 |
| % Occupancy | 59% | 59% | 52% | 70% |
| ADR (THB) | 4,912 | 6,344 | 4,898 | 7,841 |
| RevPAR (THB) | 2,910 | 3,724 | 2,526 | 5,488 |
| Outrigger Hotels[1] | | | | |
| Number of hotel | 3 | 3 | 3 | 3 |
| Number of key | 499 | 499 | 499 | 499 |
| % Occupancy | 78% | 43% | 58% | 48% |
| ADR (THB) [2] | 7,735 | 13,024 | 7,293 | 9,582 |
| RevPAR (THB)[2] | 6,014 | 5,643 | 4,243 | 4,603 |
| Project CROSSROADS Hotels | | | | |
| Number of hotel | 2 | 2 | 2 | 2 |
| Number of key | 376 | 376 | 376 | 376 |
| % Occupancy | 61% | 63% | 67% | 69% |
| ADR (THB)[3] | 12,895 | 10,584 | 13,481 | 12,706 |
| RevPAR (THB)[3] | 7,839 | 6,690 | 8,993 | 8,709 |
| UK Portfolio Hotels | | | | |
| Number of hotel[5] | 28 | 27 | 27 | 27 |
| Number of key[5] | 2,990 | 2,940 | 2,940 | 2,940 |
| % Occupancy | 69% | 76% | 59% | 72% |
| ADR (THB)[4] | 3,801 | 4,237 | 3,496 | 3,778 |
| RevPAR (THB)[4] | 2,622 | 3,226 | 2,062 | 2,720 |

*Remark: (1) SHR terminated the Hotel Management Agreement with Outrigger and employed a Self-managed platform in 3 out of 6 Outrigger hotels in 2021; Excluded Konotta Maldives which is temporarily closed*

*(2) The exchange rates applied for translation in 9M2022 were 15.97 THB/FJD, 0.78 THB/MUR while those in 9M2023 were 15.53 THB/FJD, 0.76 THB/MUR*

*(3) The exchange rate applied for translation in 9M2022 was 34.62 THB/USD while that in 9M2023 was 34.52 THB/USD*

*(4) The exchange rate applied for translation in 9M/2022 was 43.47 THB/GBP while that in 9M2023 was 42.97 THB/GBP*

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

*Commercial Business*

As of 30 September 2023, the Company owned 5 commercial buildings providing net leasable area 193,180 sq. m. in total. Revenue generated from commercial business in 9M2023 was THB 769m, on par with the same period last year. This was mainly due to the revenue recognition for the first year of S OASIS building could fully compensate a decline in occupancy rate of Singha Complex building. However, the Company is working on negotiating a new lease agreement with the long-term rental conditions and the effective selection of the target customers, focusing on high-growth industries. This will lead to the solid performance of the business amidst the intense competition, pressured by the new supply.

Operating performance of Commercial business

| Building | Q3/2022 | Q3/2023 | 9M2022 | 9M2023 |
|---|---|---|---|---|
| Suntower | | | | |
| Space for rent (sq.m.) | 63,673 | 63,673 | 63,673 | 63,673 |
| Occupancy rate (%) | 82% | 84% | 83% | 83% |
| Singha Complex | | | | |
| Space for rent (sq.m.) | 58,927 | 58,927 | 58,927 | 58,927 |
| Occupancy rate (%) | 92% | 85% | 93% | 83% |
| S Metro | | | | |
| Space for rent (sq.m.) | 13,677 | 13,677 | 13,677 | 13,677 |
| Occupancy rate (%) | 93% | 93% | 92% | 93% |

*Other businesses*

Other businesses, covering construction service and project management service, generated revenue at THB 47m in Q3/2023, declined from THB 83m in Q3/2022 due mainly to a drop in revenue from project management service. For 9M2023, revenue from other business grew to THB 177m, compared with THB 182m in 9M2022 which is contributed from revenue from construction of Santiburi The Residences.

## Gross Profit

Gross profit for Q3/2023 reported at THB 1,199m, increased by 15% from THB 1,044m for Q3/2022. In term of margin, the gross profit margin stood at 39%, dropped from 37% as the hospitality business performance was pressured by the temporarily suspension of the Outrigger Mauritius Beach Resort to solve the contaminated water issue and the partial closure for major renovations at the Outrigger Fiji Beach Resort which limit the maximum occupancy rate. For 9M2023, gross profit amounted to THB 3,453m and presented the gross profit margin of 34%. The gross profit improved by 19% from THB 2,905m of the first nine months of the previous year. This was represented the improved operational performance across all portfolios of hospitality business despite the partial renovation of some hotels according to the asset enhancement plan.

### Selling and Administrative Expenses

In Q3/2023, the Company reported selling and administrative expenses in an amount of THB 866m, increased from THB 726m in Q3/2022. In term of SG&A to revenue ratio (% SG&A to sales) stood at 27%, maintained at the last year level. Meanwhile, the selling and administrative expenses for 9M2023 amounted to THB 2,459m, increased from THB 2,179m in the same period last year. This was mainly from an increase in administrative expense in accordance with the business resumption. However, the %SG&A to revenue at 26% remained improve from the level of 26% for the previous year, reflected the efficient resource utilization.

### Finance Costs

The Company reported finance costs at THB 484 in Q3/2023, increased from THB 354m in Q3/2022. For 9M2023, the financial costs rose to THB 1,382, compared with THB 940m from the same period last year. This was mainly attributed to the continual increase in interest rate. However, the Company already mitigated the risk by hedging foreign currency loan which will limit the impact to the Company's performance.

### Net Profit (loss)

The Company announced a net loss for the period of THB 91m in Q3/2023, reversed from net profit of THB 121m for the third quarter of prior year. For 9M2023 net loss amounted to THB 167m or slightly dropped from loss of THB 60m in the same period last year.

For the net profit (loss) attributable to Owners of the parent, Q3/2023 reported a net loss of 96m, reversed from net profit of THB 44m for Q3/2022. While the first nine months of 2023, net loss amounted to THB 173m or reversed from profit of THB 98m in the same period last year.

| Unit: THB m | 31 December 2022 | 30 September 2023 | Change |
|---|---|---|---|
| Cash and cash equivalent | 3,422 | 2,996 | -426 |
| Inventories | 763 | 1,681 | 919 |
| Current assets | 13,983 | 16,266 | 2,283 |
| Investment property | 19,720 | 19,610 | -110 |
| PPE – net | 28,820 | 30,806 | 1,986 |
| Non-current assets | 54,827 | 56,842 | 2,015 |
| **Total Assets** | **68,810** | **73,108** | **4,299** |
| Current liabilities | 9,984 | 9,582 | -401 |
| Non-current liabilities | 36,221 | 40,332 | 4,112 |
| **Total liabilities** | **46,204** | **49,915** | **3,710** |
| **Total equity** | **22,606** | **23,194** | **588** |
| Interest-bearing debt excluding lease liability | 29,866 | 33,014 | 3,147 |
| Gearing ratio (times) | 1.32x | 1.42x | |
| Net gearing ratio (times) | 1.17x | 1.29x | |

As at 30 September 2023, the Company reported total assets of THB 73,108m or increased by 6% from 31 December 2022, including (1) Current assets in an amount of THB 16,266m, increased THB 2,283m from the ending of last year. This was mainly due to an increase in inventories from the acquisition of The ESSE Sukhumvit 36 project and cost of property development from construction and development costs of horizontal residences project and S Industrial Estate Angthong (2) Non-current assets in an amount of THB 56,842m, increased THB 2,015m from an increase in Property, plant and equipment.

Total liabilities stood at THB 49,915m increased by 8% from 31 December 2022 from the consolidation of borrowing of The ESSE Sukhumvit 36 project into company' financial statement, the drawdown facility to support future projects, and the issue of debentures in an amount of THB 1,700m. The interest bearing debt raised to THB 33,014m. The gearing ratio consequently grew to 1.29x which well below the Company's covenant.

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