

## MBK Public Company Limited and its subsidiaries

### Management discussion and analysis

#### For the year ended 31 December 2023

#### Analysis of operating results

##### 1. Overall operating results

The operating results of MBK Public Company Limited and its subsidiaries (“the Group”) for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

|  | For the years ended 31 December |              |                   |             |
|--|---------------------------------|--------------|-------------------|-------------|
|  | 2023                            | 2022         | Increase/Decrease |             |
| <b>1) Operating revenue</b>  | <b>10,014</b>                   | <b>8,405</b> | <b>1,609</b>      | <b>19%</b>  |
| <b>2) Operating profit</b>   | <b>779</b>                      | <b>312</b>   | <b>467</b>        | <b>150%</b> |
| 3) Share of profit from investments in associates and joint venture                  | 1,539                           | 407          | 1,132             | 278%        |
| 4) Other income  | 547                             | 640          | (93)              | (15%)       |
| 5) Loss on fair value measurement of investments                                     | (118)                           | -            | (118)             | (100%)      |
| 6) Finance costs   | (737)                           | (721)        | (16)              | (2%)        |
| 7) Income tax expense  | (383)                           | (258)        | (125)             | (48%)       |
| <b>8) Net profit</b>   | <b>1,627</b>                    | <b>380</b>   | <b>1,247</b>      | <b>328%</b> |
| 9) <u>Less</u> : Profit attributable to non-controlling interest of the subsidiaries | (60)                            | (48)         | (12)              | (25%)       |
| <b>10) Net profit – attributable to equity holders of the Company</b>                | <b>1,567</b>                    | <b>332</b>   | <b>1,235</b>      | <b>372%</b> |
| <b>11) Earnings per share (Baht)</b>   | <b>1.04</b>                     | <b>0.23</b>  | <b>0.81</b>       | <b>352%</b> |

The overall operating results of the Group in comparison with the same period of last year showed that the operating revenue for the years ended 31 December 2023 and 2022 were Baht 10,014 million and Baht 8,405 million, respectively, increased by Baht 1,609 million or 19%. The net profit attributable to equity holders of the Company for the years ended were Baht 1,567 million and Baht 332 million, respectively, the net profit increased by Baht 1,235 million or 372%.

**The significant events and movements were as follows.**

a) The spread of Corona Virus (“COVID-19”)

From several waves of the epidemic outbreak of COVID-19 in Thailand starting from March 2020 to late 2021 had an impact on conducting business of the Group, particularly the shopping center business, hotel and tourism business, golf business, and food center business. In addition, there was a temporary closure of such business operations according to the government measures during March to May 2020 and July - August 2021.

During the year 2022 and 2023, there are still several new waves of outbreaks, but the level of severity and concerns about the epidemic has steadily declined continuously. At present the disease is considered a local disease. The government has gradually issued relief measures starting from the fourth quarter of 2021 to reduce the strict control of the epidemic and launched the measures to stimulate and recover the economy, especially in the tourism sector. Moreover, the opening of the country for foreign tourists resulted that consumers are more confident in spending. As a result, all business sectors, especially the tourism business, began gradually to recover. However, from the overall and global economic situation that has been affected by various factors such as oil prices, inflation, technology disruption, as well as war crisis and unrest in various regions of the world continues to cause entrepreneurs and consumers to be cautious in spending.

The board of directors and management made constant arrangements and strategic adjustments to the business in response to the crisis, changes, and business environment. Strategies were also modified to accommodate the improving situation and gradually recuperating purchasing power, and to create new business opportunities from the changes in consumer behaviors and circumstance, especially in the tourism-related business.

As a result, the overall revenue and net profit for the current year improved considerably, especially for shopping center business, hotel and tourism business and golf business. The significant changes in operating revenue and operating profit (loss) of the Group business segments were noted in No. 2.1 - Operating revenue – by segment and No. 2.2 – Operating profit (loss) – by segment.

b) Share of profit from investments in associates and joint venture increased by Baht 1,132 million or 278% (net of related deferred tax of Baht 906 million), due to the following reasons:

- Share of profit from an associate that operates shopping center business increased by Baht 207 million (net of related deferred tax of Baht 166 million), as the situation of the epidemic outbreak of COVID-19 has continued to improve.
- On 20 April 2023, the investment in Thanachart Capital Public Company Limited (“TCAP”) changed the status from investment in equity securities designated at fair value through other comprehensive income to investment in associated company. Therefore, the recognition of profit sharing under equity method from 20 April 2023 to 31 December 2023 was Baht 922 million (net of related deferred tax of Baht 738 million).

## **2. Revenue and operating results by segment**

The Group’s business operations are divided into 8 principal segments as follows:

1. Shopping Center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel and tourism business engages in providing for lodging, food and drink, fitness and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.
4. Real-estate business engages in residential for sale, property management and asset appraisal.
5. Food Solution business engages in selling rice for both local and export markets, food center business, and marina for rental/service business.
6. Finance business engages in (i) providing general loan for housing and bridge loan of which the security is marketable property in good location, and (ii) motorcycle hire-purchase business.
7. Auction business engages in the business of car and motorcycle auctions.
8. Corporate Supporting Center business performs as a back-office function for the Group, and Others business engages in the water supply business.

The significant movements in operating revenue and operating profit/(loss) by segment for the year ended 31 December 2023 when compared to the same period of 2022 were as follows:

## 2.1 Operating revenue – by segment

(Unit: Million Baht)

| For the years ended 31 December           |               |              |                     |            |
|---|---------------|--------------|---------------------|------------|
| Segment                                   | 2023          | 2022         | Increase/(Decrease) |            |
| 1) Shopping Center                        | 2,651         | 1,703        | 948                 | 56%        |
| 2) Hotel and tourism                      | 1,300         | 829          | 471                 | 57%        |
| 3) Golf                                   | 520           | 412          | 108                 | 26%        |
| 4) Real-estate                            | 619           | 908          | (289)               | (32%)      |
| 5) Food Solution                          | 1,844         | 1,601        | 243                 | 15%        |
| 6) Finance                                | 2,349         | 2,359        | (10)                | -          |
| 7) Auction                                | 718           | 568          | 150                 | 26%        |
| 8) Corporate Supporting Center and Others | 13            | 25           | (12)                | (48%)      |
| <b>Total</b>                              | <b>10,014</b> | <b>8,405</b> | <b>1,609</b>        | <b>19%</b> |

The operating revenue of the Group for the years ended 31 December 2023 and 2022 was Baht 10,014 million and Baht 8,405 million, respectively, increased by Baht 1,609 million or 19%. The major changes in operating revenue by segment were as follows:

- a) The revenue of shopping center business increased by Baht 948 million or 56%. In the same period of last year, there was a discount on rental and service fees to tenants affected by COVID-19. The measures helping tenants had been implemented since the outbreak of the disease in 2020 until the end of 2022. The discount rates for tenants have continued to decline according to the epidemic situation which has gradually improved.

During 2021 – 2022, MBK Shopping Center renovated the rental area and communal area to suit changes of the situation. There were many aspects of the overhaul and diversification of shops and goods that better met the needs of both Thai and foreign customers. In addition, the government's measure to reopen the country attracted the return of foreign customers.

As for Paradise Park Shopping Center, the land rental contract was renewed for another 20 years (1 August 2023 – 31 July 2043). Therefore, there is a renovation plan for Paradise Park shopping center to be a modern shopping center, selecting varieties of tenants to serve all customer needs. In addition, there will be a comprehensive health care center outside the area of Ramathibodi Hospital “Rama Health Space @Paradise Park” under the concept of “Shopping Center with Health” which already opened the operations in December 2023. The rental space of Paradise Park shopping center has been gradually closed for renovation by zones since February 2023, and is expected to be completed wholly by the second quarter of 2024. In addition, there were discounts on rental and service fees provided to assist some tenants that opened their shops during the renovation period.

- b) The revenue of hotel and tourism business increased by Baht 471 million or 57%. According to the government policy to re-open the country since November 2021 and the measures to boost tourism business resulted that during 2022 until present the number of Thai and foreign tourists have increased continuously. Moreover, the hotel business had prepared a promotion for room rates and package tours, including to participate in various government projects. As a result, the hotel business had higher occupancy rates and revenue per room rates which returned to normal conditions (before the epidemic).

In October 2023, a subsidiary invested in a new hotel business located near Khao San Road in Bangkok. The new hotel commenced its operations on 1 December 2023. The hotel is in a good location and has the potential to continue generating growth in revenue and profits for the Group.

- c) The revenue of golf business increased by Baht 108 million or 26%. The tourism recovery, particularly the country reopening for foreign tourists and the preparation of promotional programs through various channels to increase the number of golfers, these factors helped to continuously improve the performance of golf business, especially the two golf courses in Phuket as most customers are foreigners. In addition, the two golf courses in Pathum Thani have consistently improved performance since 2022 and have been honored to host professional golf tournaments on many occasions. In 2023, Bangkok Golf Club hosted Singha Bangkok Open 2023 on 7-10 September 2023, and Riverdale Golf Course hosted the 51st Thailand Open 2023 on 7-10 December 2023, to promote the golf courses to be more famous and well-known. At present, the golf business has returned to normal situation and has a better growth trend.

- d) The revenue of real-estate business decreased by Baht 289 million or 32%, mainly due to the recognition of revenue under residential projects which the significant changes were as follows.

(Unit: Million Baht)

| Residential projects                                       | For the years ended 31 December |            |              |
|--|---------------------------------|------------|--------------|
|  | 2023                            | 2022       | Inc./(Dec.)  |
| 1. Riverdale Residence – Land                              | 100                             | 303        | (203)        |
| 2. Park Riverdale – Housing                                | 36                              | 116        | (80)         |
| 3. Quaritz Rama IX – Premium residential                   | 140                             | 206        | (66)         |
| 4. Quinn Sukhumvit 101 - Condominium                       | 172                             | 71         | 101          |
| 5. Baan Rom-Mai-Borwin – Small housing                     | 17                              | 96         | (79)         |
| 6. Residential projects (housing & plot of land) in Phuket | 107                             | 109        | (2)          |
| <b>Total</b>   | <b>572</b>                      | <b>901</b> | <b>(329)</b> |

The ownership transfer of residential in 2024 when compared to the same period of last year decreased by Baht 329 million. However, at present, the sales backlog of residential under several projects are waiting for the legal transfer of ownership and the expected revenue will be recognized in 2025 amounting to Baht 258 million.

During the past period of COVID-19 epidemic, the real-estate business has slowed down the launch of new projects and has always monitored and assessed the risks of the situation to adapt the business operations under uncertainties that may arise, and to response the better needs of customers.

On 19 April 2023, MBK Resort Public Company Limited, a subsidiary operates in golf course, real-estate, and hotel businesses in Phuket, donated a plot of land 36 rai to Prince of Songkhla University to develop the project “Andaman International Health Center”, therefore, the real-estate business is planning to develop new residential projects to meet the higher demand of residence. In addition, the group management is in the process of studying to develop lots of land held for development to be a location with highest potential and benefits.

- e) The revenue of food solution business increased by Baht 243 million or 15%. The significant changes were as follows:

- The revenue of rice business increased by Baht 186 million or 13%.
  - Domestic sales increased by Baht 298 million due to an increase in rice selling prices according to the economic situation. In addition, the demand for rice consumption in the country is likely to improve following the recovery of the restaurant, hotel, and related industries, especially food production, after the COVID-19 situation is resolved.

- Export sales decreased by Baht 112 million due to the slow-down in orders of rice from customers in the United States. In addition, the selling price of such customers included shipping expense to the destination country.
  - The revenue of food center business increased by Baht 54 million or 33%, due to the impact of the COVID-19 outbreak during the same period last year. At present the epidemic situation is more relaxing, resulting in a higher number of customers to eat in the food center.
- f) The revenue of finance business decreased by Baht 10 million. Under COVID-19 situation, finance business is more conservative in lending loans to customers, monitored debt collection status, and reviewed credit risk assessment on a regular basis to reduce default debtor.
- The revenue of hire-purchase for motorcycle business decreased by Baht 162 million or 10%. The major reasons were as follows: -
    - The hire-purchase revenue decreased by Baht 109 million or 7%. Although, the number of new loans is higher than last year period according to the growth of motorcycle market, but the performance of hire-purchase business as a whole has been affected by the new ceiling interest charge at 23% per annum which issued by the Office of the Consumer Protection Board, which is effective for hire-purchase contract made from 10 January 2023 onwards. However, the management is in the process of studying a new business operation to create more opportunities and revenue, including cost control management in operating expenses.
    - In 2023 and 2022, there was revenue recognition from the disposition by auction process of non-performing loan receivables portfolios or NPL in the amount of Baht 14 million and Baht 67 million, respectively, decreased by Baht 53 million.
  - The revenue of lending business increased by Baht 152 million or 20%. The major factor was that in June 2023, a major debtor, which was classified as a non-performing loan (NPL), closed the loan account, and repaid all outstanding loan balance and related interest of Baht 133 million, which was fully recognized as interest income in the current year.
- g) The revenue of auction business increased by Baht 150 million or 26%. The outbreak of COVID-19 situation over the past 3 years affected the consumer purchasing power of a new car and the government's debt moratorium policy resulted that the number of new cars, used cars and seized cars in the market declined. Currently, the situation has gradually improved, and the car auction sites were expanded to other provinces. As a result, the number of cars for auction increased accordingly. Moreover, in comparison with the revenue before the COVID-19 situation, it was found that the revenue for the current year was higher than the revenue of 2019 by Baht 265 million or 58%.

## 2.2 Operating profit (loss) – by segment

(Unit: Million Baht)

| For the years ended 31 December           |            |            |                     |             |
|---|------------|------------|---------------------|-------------|
| Segment                                   | 2023       | 2022       | Increase/(Decrease) |             |
| 1) Shopping Center                        | (150)      | (745)      | 595                 | 80%         |
| 2) Hotel and tourism                      | 233        | 50         | 183                 | 366%        |
| 3) Golf                                   | 134        | 71         | 63                  | 89%         |
| 4) Real-estate                            | 74         | 207        | (133)               | (64%)       |
| 5) Food Solution                          | (94)       | (78)       | (16)                | (21%)       |
| 6) Finance                                | 316        | 600        | (284)               | (47%)       |
| 7) Auction                                | 248        | 204        | 44                  | 22%         |
| 8) Corporate Supporting Center and Others | 18         | 3          | 15                  | 500%        |
| <b>Total</b>                              | <b>779</b> | <b>312</b> | <b>467</b>          | <b>150%</b> |

The operating profit of the Group for the years ended 31 December 2023 and 2022 were Baht 779 million and Baht 312 million, respectively, increased by Baht 467 million or 150%. In overall, operating results varied according to the operating revenue by segment as mentioned in No.2.1, normal economic conditions. The other significant changes were as follows:

- a) Due to the continual relaxation of the COVID-19 epidemic situation resulted that the group revenue had a better trend. However, the Group management has closely monitored the progress of COVID-19 situation and manage operating expenses to be more efficient.
- b) Employee expenses increased by Baht 216 million or 13% due to the better of COVID-19 situation resulted in higher employment and increasing staff expenses in accordance with business operations.
- c) Bad debt and provision for expected credit losses (provision for doubtful debts) increased by Baht 288 million or 42% according to the growth of loans portfolios. In addition, the management has carefully considered various factors including fluctuations in economic conditions both in the country and abroad. These factors may affect the quality of loans in the future.
- d) Depreciation and amortization decreased by Baht 97 million or 5%. Paradise Park Shopping Center had a decrease in depreciation by Baht 87 million because the main assets had already been fully depreciated according to the lease contract period which expired in July 2023. The renovation costs incurred after extension of the lease contract for another 20 years as mentioned in No. 2.1 (a), will be depreciated when the assets are ready for use. The rental area has been gradually opened by zones.



- e) In the first quarter and third quarter of last year, shopping center business and hotel business received a rental discount on land and its related buildings due to the impact of the COVID-19 epidemic a total of Baht 231 million.

### **Analysis of financial position**

The significant movements in assets, liabilities and shareholders' equity as at 31 December 2023 when compared with the balance as at 31 December 2022 were as follows:

(Unit: Million Baht)

|                            | 31 Dec 2023 | 31 Dec 2022 | Increase/(Decrease) |     |
|----------------------------|-------------|-------------|---------------------|-----|
| Total assets               | 60,471      | 54,350      | 6,121               | 11% |
| Total liabilities          | 38,087      | 32,537      | 5,550               | 17% |
| Total shareholders' equity | 22,384      | 21,813      | 571                 | 3%  |

### **3. Assets**

#### **3.1 Other current financial assets**

Other current financial assets mainly represent investments in debt and equity marketable securities at fair value through profit or loss. The balance as at 31 December 2023 was Baht 1,416 million, decreased by Baht 394 million or 22%, primarily due to the sales of investments (net of purchases) during the current period of Baht 271 million and the decrease in fair value adjustment of investments on hand as at 31 December 2023 by Baht 120 million.

#### **3.2 Loans to customers**

Loans to customers (including current portion), net of allowance for expected credit losses (allowance for doubtful accounts), balance as at 31 December 2023 was Baht 15,427 million, increased by Baht 859 million or 6%. The major changes were as follows:

- a) The portfolio of motorcycle hire-purchase receivables increased by Baht 820 million or 12% because the situation of the COVID-19 epidemic gradually improved resulted that consumers had more demand to purchase a motorcycle, especially small and medium bikes.
- b) The portfolio of loan receivables which secured by pledged/mortgaged of assets specified in the loan agreements decreased by Baht 412 million or 5%.
- c) Allowance for expected credit losses (provision for doubtful debts) increased by Baht 372 million.

### 3.3 Investment in associates and joint venture

Investment in associates and joint venture balance as at 31 December 2023 was Baht 15,930 million, increased by Baht 10,457 million or 191%. The major changes were as follows:

- a) On 20 April 2023, the status of investment in equity securities of Thanachart Capital Public Company Limited ("TCAP") was transferred to investment in an associate. The investment was recognised at a fair value of Baht 9,076 million as mentioned in No.3.4. Furthermore, there were additional purchases of the investment in the amount of Baht 286 million.
- b) The increase of Baht 1,539 million was from the recognition share of profit under the equity method.
- c) The decrease of Baht 445 million was from dividend income.

### 3.4 Other non-current financial assets

Other non-current financial assets balance as at 31 December 2023 was Baht 331 million, decreased by Baht 6,326 million or 95%. The major factors were the additional purchases of investment in TCAP during January – April 2023 amounting to Baht 2,722 million resulted that the percentage of shareholding reaching 20.01% and met the criteria of significant influence to be an associate under the accounting standards. Therefore, the classification of all investment in TCAP, which had a fair value as of 20 April 2023 in the amount of Baht 9,076 million, was transferred to record as investment in associate as mentioned in No. 3.3 (a).

### 3.5 Investment properties

Investment properties balance as at 31 December 2023 was Baht 13,423 million, increased by Baht 1,025 million or 8%. The significant movements were as follows:

|   | Description   | Million Baht |
|---|---|--------------|
| 1 | Paradise Park Shopping Center – as of 1 August 2023, the recognition rights of use assets and long-term liabilities under financial lease agreements (as mentioned in No. 4.4 b.) was from the renewal of land lease contract for another 20 years. | 1,446        |
| 2 | The costs of renovation Paradise Park   | 636          |
| 3 | The costs of renovation and purchases of equipment of MBK Shopping center   | 132          |
| 4 | The project costs of Riverdale Waterfront & Marina in Pathumtani  | 65           |
| 5 | Depreciation and amortisation   | (1,177)      |
| 6 | Others  | (77)         |
|   | <b>Total net movements</b>  | <b>1,025</b> |

### 3.6 Property, plant and equipment

Property, plant and equipment balance as at 31 December 2023 was Baht 6,619 million, increased by Baht 1,175 million or 22%. The significant movements were as follows:

| Description                |   | Million Baht |
|----------------------------|---|--------------|
| 1                          | Costs of investment in a new hotel located near Khao San Road in Bangkok                    | 1,205        |
| 2                          | To reclassify a plot of land from land held for development to operate car auction business | 97           |
| 3                          | Renovation costs of hotels and purchases of operating equipment                             | 111          |
| 4                          | Renovation costs of golf courses  | 58           |
| 5                          | Recognition rights of use from the long-term rental contracts – car auction sites           | 36           |
| 6                          | Development costs of information systems for hire-purchase business                         | 24           |
| 7                          | Depreciation and amortisation   | (475)        |
| 8                          | Others  | 119          |
| <b>Total net movements</b> |   | <b>1,175</b> |

## 4. Liabilities

### 4.1 Short-term loans from financial institutions

Short-term loans from financial institutions balance as at 31 December 2023 was Baht 2,845 million, increased by Baht 1,907 million or 203%. The increase in short-term borrowings was to reserve for finance business operations and to get the most out of financial costs, which continuously increase.

### 4.2 Long-term loans from financial institutions

Long-term loans from financial institutions (including current portion) are loans of finance business and the balance as at 31 December 2023 was Baht 321 million, decreased by Baht 1,112 million or 78%, due to the repayments of loans which were due during the year.

#### **4.3 Long-term debentures**

Long-term debentures (including current portion) balance as at 31 December 2023 was Baht 17,571 million, increased by Baht 3,362 million or 24%. During the current year, the Company issued long-term debentures for a total of Baht 5,100 million for a period of 2-3 years, bearing interest rates of 2.96% - 3.50% per annum. The purposes of debentures issuance were to redeem the maturity of debentures for a total of Baht 1,500 million which were due for repayment, and to invest in other projects.

#### **4.4 Long-term liabilities under financial lease agreements**

Long-term liabilities under financial lease agreements (including current-portion) which presented net of deferred interest expense, balance as at 31 December 2023 was Baht 12,378 million, increased by Baht 941 million or 8%. The significant movements were as follows:

- a) Liabilities under the lease agreements granting the right to utilize the shopping center at Pathumwan intersection decreased by Baht 423 million, due to the payment which was due in April 2023 amounting to Baht 1,056 million. However, deferred interest expense decreased by Baht 633 million because of the amortisation as interest expense for the year.
- b) Paradise Park Shopping Center has extended the land lease contract for another 20 years therefore, there was recognition of rights-of-use assets (as mentioned in No. 3.5.1) and liabilities under long-term lease agreements, in the amount of Baht 1,446 million. In the current period, the first installment of Baht 50 million was paid, and deferred interest expense was amortized as interest expense of Baht 38 million. As a result, the liabilities-net of related deferred interest balance as at 31 December 2023 was Baht 1,434 million, an increase in the entire amount.

#### **5. Shareholders' equity**

Total shareholders' equity balance as at 31 December 2023 was Baht 22,384 million, increased by Baht 571 million or 3%. The significant movements were as follows:

- a) The increase of Baht 324 million was the warrant holders of 63 million units exercised their rights to purchase ordinary share at Baht 2.6326 – 2.9350 each, resulted in an increase in paid-up share capital of Baht 69 million and premium on ordinary of Baht 255 million.

- b) Retained earnings increased by Baht 3,519 million due to the followings:
- The increase of Baht 1,567 million was from net profit for the year.
  - The increase of Baht 3,148 million was due to the change in status of investment in TCAP as described in No.3.3 and 3.4, from investment in equity securities designated at fair value through other comprehensive income to investment in an associate. As a result, the fair value reserve for unrealized gain of such investment, net of related deferred tax, in the amount of Baht 3,148 million (presented under other components of shareholders' equity) was transferred directly to retained earnings.
  - The decrease of Baht 1,209 million was from dividend payments.
  - The decrease of Baht 20 million was attributed to legal reserve.
- c) Other components of shareholders' equity decreased by Baht 3,117 million due to the transfer of fair value reserve of unrealized gain of investment in TCAP of Baht 3,148 million to be retained earnings as mentioned above in b).
- d) The decrease of Baht 242 million due to an increase in treasury shares. This was because a subsidiary purchased additional shares of the Company in the amount of Baht 181 million and exercised the rights to purchase ordinary shares of the Company of Baht 61 million.

### Analysis of the liquidity

6. Cash flows of the Group for the years ended 31 December 2023 and 2022 are summarised in the table below.

(Unit: Million Baht)

| For the years ended 31 December   |              |                |                     |              |
|---|--------------|----------------|---------------------|--------------|
|   | 2023         | 2022           | Cash flows          |              |
|   |              |                | Increase/(Decrease) |              |
| Net income from operating activities before changes in operating assets and liabilities | 3,003        | 2,428          | 575                 | 24%          |
| Net movements in operating assets and liabilities                                       | (649)        | 452            | (1,101)             | (244%)       |
| Net cash flows received from (used in) operating activities                             | 2,354        | 2,880          | (526)               | (18%)        |
| Net cash flow received from (used in) investing activities                              | (4,018)      | (3,074)        | (944)               | (31%)        |
| Net cash flows received from (used in) financing activities                             | 1,321        | (2,986)        | 4,307               | (144%)       |
| <b>Net increase (decrease) in cash and cash equivalents</b>                             | <b>(343)</b> | <b>(3,180)</b> | <b>2,837</b>        | <b>(89%)</b> |

### 6.1 Cash flows from operating activities

Net cash flows from operating activities decreased by Baht 526 million or 18%. The significant movements in cash flows from operating activities and operating assets and liabilities are as mentioned in the analysis of operating results and financial status above and the significant changes as follows: -

- a) The major cash increases were from: (i) Cash receipts from operating activities increased by Baht 575 million and (ii) Cash receipts of advance rental and services deposits increased by Baht 208 million.
- b) The major cash decreases were from: (i) loans to customers (net of cash receipts) increased by Baht 1,291 million and (ii) Cash receipts from inventories decreased by Baht 93 million.

### 6.2 Cash flows from investing activities

Net cash flows received from investing activities decreased by Baht 944 million or 31% due to the following major reasons:-

- a) The major cash increases were from: (i) Cash receipts from dividend income increased by Baht 356 million (ii) Cash payments for purchases (net of cash receipts from sales) of investments in debt and equity securities for liquidity management decreased by Baht 2,064 million.
- b) The major cash decreases were from: Cash payments for purchases of additional investment in TCAP of Baht 2,417 million and (ii) In October 2023, there was cash payments for investment in a new hotel located near Khao San Road of Baht 1,205 million.

### 6.3 Cash flows from financing activities

Net cash flows received from financing activities increased by Baht 4,307 million or 144% due to the following major reasons: -

- a) The major cash increases were from: (i) Cash receipts from short-term loans from financial institutions (net of repayments) increased by Baht 1,960 million, and (ii) Cash receipts from issuance of long-term debentures (net of repayments) increased by Baht 3,965 million.
- b) The major cash decreases were from: (i) Cash payments for long-term loans from financial institutions (net of cash receipts) increased by Baht 303 million (ii) Dividend payments increased by Baht 673 million, (iii) Cash payments to long-term lease liabilities increased by Baht 483 million, and (iv) Cash payments for treasury stock increased by Baht 303 million.