Singha Estate Public Company Limited
Management Discussion and Analysis Q4/2023 and the fiscal year 2023

Executive Summary

Despite encountering challenges stemming from external factors, including economic pressures resulting from the global economic slowdown and volatility in the global financial market, the company achieved its highest-ever consolidated revenue in 2023 at THB 14,675m, reflecting a substantial growth of 17% compared to the previous year. Combined with effective cost and expense management, the group reported earnings before interest, taxes, depreciation, and amortization (EBITDA) for the period at THB 4,459m, marking a robust increase of 34% from the previous year, which was a higher growth rate than revenue growth. The company also reported a Normalized Profit of THB 236m in 2023.

The revenue from sales of real estate increased 42% to THB 3,638m in 2023, comprising of (1) the revenue from sale houses and condominium units amounted to THB 3,416m which separated to condominium 27% and landed properties 73% of total sales, (2) the rental fee derived from the long-term lease agreement for the Singha Complex building totaled THB 175m and (3) the revenue from industrial estate business aggregated to THB 47m, predominantly stemming from the land transfer of S Industrial Estate Angthong.

In addition, the revenue from rental and services in 2023 amounted to THB 11,037m improved by 11% from the last year, brought up by the remarkable performance of hospitality business. Consequently, revenue from the hospitality business saw a 12% improvement over the previous year, amounting to THB 9,701m. The revenue generated from commercial business experienced a marginal growth of 4% to THB 1,060m in 2023, attributed to the gradual handover of rental space to tenants for the S OASIS building. Furthermore, revenue from construction and services increased by 3% to THB 277m, mainly from construction revenue for the Santiburi The Residences project, wherein the company constructs residential properties for customers subsequent to land transfer.

The company anticipates revenue growth across all business segments in 2024, aligned with the expansion of the residential project portfolio and the completion of the industrial estate development project, leading to accelerated transfer activities. This encompasses sustained growth in the hospitality business driven by the upward trend in tourist spending behavior, along with the success of hotel major renovation plans to enhance room rates. Additionally, there is an expected rise in the occupancy rate of the S OASIS office building.

Residential business

During the year 2023, the company recorded revenue from the transfer of ownership of residential projects amounting to THB 3,416m, reflecting a notable increase of 45% compared to the previous year. Consequently, as of December 31, 2023, the company holds a backlog as revenue to be recognized, totaling THB 3,045m. This backlog can be itemized as follows:

Revenue generated from the transfer of ownership of horizontal projects totaled THB 2,492m, encompassing: (1) Land transfer of 2 plot for Santiburi the Residences, making the backlog of 4 land plots (2) Ownership transfer of 14 plots at SIRANINN Residences project, leaving 7 plots available for sale (3) Land transfer of LA SOIE De S the flagship cluster home, making the backlog of 1 plot and (4) The first quarter revenue recognition from ownership transfer of 11 plots at S'RIN project, making the backlog of 1 plot.

Regarding high-rise projects, the Company registered revenue from the sale of a condominium project totaling THB 924m. Subsequently, due to the expanded share ownership of The ESSE Sukhumvit 36 project, the Company was able to fully recognize revenue and profits from the project. Currently, remaining rooms available for sale amount to THB 876m. The Extro project has demonstrated consistent growth in sales and development progress. As of now, the project holds a backlog of revenue to be recognized amounting to THB 1,270 m and set a target to commence transfers from late Q1/2024 onwards.

The company anticipates substantial revenue growth in 2024, driven by signs of accelerated transfer activities towards the end of 2023. This momentum is notably observed in projects such as Siraninn Residences Pattanakarn, which was introduced in late 2022 and has seen a cumulative transfer of 76% of its project value, and the S'RIN Ratchaphruek-Sai 1, launched in late 2023 and has garnered substantial interest from customer, resulting in immediate transfers of over 12% of the project value.

Consequently, the company has set a target of recognizing revenue from the transfer of ownership of more than 60% of the backlog in 2024. Additionally, the gradual launch of new projects will further contribute to revenue growth, predominantly those ready for transfer and immediate revenue recognition. These projects include:

Quarter 1: The official launch and commencement of revenue recognition for the SHAWN Panya Indra and SHAWN Wongwaen – Chatuchot projects, which are single-detached house projects with a selling price range of approximately THB 19 - 45 million baht and a total project value of THB 4,600m. Those are poised to significantly bolster the company's residential real estate revenue in 2024 compared to the previous year.

Quarter 3: The introduction of a condominium project in the Rama III area, with a price range of 150,000 baht per sq.m. and a total project value of THB 2,600m. The project is a joint investment with a proficient business partner. This initiative is driven by the company's observation of the recovery of the condominium market in the middle-income and above group. Its aim is to capitalize on the growth trajectory of this market segment. The project is scheduled to be launched for sale in late 2024.

Quarter 4: The introduction of the SMYTH Kaset-nawamin project, a luxury cluster home development situated near urban centers, sets a starting unit price exceeding 100 million baht and a total project value more than 1 billion baht. This initiative is strategically positioned to capitalize on opportunities from real demand customers with high purchasing power who are looking for a distinctive, meticulously crafted homes within an exclusive community.

Quarter 4: The introduction of the second S'RIN project at the Prannok road location, with a project value of approximately THB 4,400m, is a continuation of Singha Estate's success in penetrating the premium luxury market and broadening its portfolio in the western Bangkok area, where the company sees as a potential growth area.

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 exhibit sustained recovery, as evidenced by the report from the United Nations World Tourism Organization (UNWTO). In the year 2023, global international tourist arrivals exceeded 1.3 billion, marking a 34% increase from the year 2022 or equivalent to an impressive 88% recovery rate compared to the pre-COVID-19 levels. However, regional recovery rates varied, with the Middle East region displaying the most remarkable rebound, with international tourist arrivals surpassing pre-pandemic levels by 22%. Meanwhile, Africa and Europe managed to recover to 96% and 94% of Pre COVID-19 levels, respectively. The slowest recovery was observed in the Asian region, aligned with the delayed reopening of tourist destinations compared to other regions.

In terms of tourism revenue, the recovery pace outstripped that of international tourist arrivals in many regions, UNWTO reported global tourism revenue in 2023 reached $1.4 trillion, representing a robust 93% recovery rate compared to 2019 levels. Moreover, several countries, including those in the Mediterranean Basin, Central America, and South America, reported tourism revenue exceeding pre-pandemic levels, driven by sustained high travel demand and continuous growth in flight numbers.

Looking ahead to 2024, UNWTO anticipates a strong and resilient recovery in both international tourist arrivals and tourism revenue, surpassing pre-pandemic levels due to key supporting factors include: (1) Anticipated recovery trends among Chinese tourists, who hold the largest market share globally in 2019, coupled with strong tourism demand from the United States and Middle East markets, (2) Increasing demand for off-season travel and the rising popularity of sustainable tourism trends, and (3) Significant increase in flight numbers leading to reduced travel costs, acting as a significant stimulus for global tourism, particularly in Asian destinations poised for remarkable recovery in 2024.

The estimated number of international tourist arrivals in the countries where the Company's existing business can be summarized as follows:

(Unit: Million Visitors)	2019	2023	Forecast 2024*
Thailand	39.9	28.2	33.5
Republic of Maldives	1.7	1.9	2.0
United Kingdom	40.9	37.8	39.5
Republic of Fiji	0.9	0.9	1.0
Republic of Mauritius	1.4	1.2	1.4

Note:

(1) Forecasts for the year 2024 for Thailand, as referenced from the Thai Ministry of Finance's estimation, Maldives as cited from the Maldives Association of Travel Agents and Tour Operators (MATATO), the United Kingdom as referenced from VisitBritain's estimation, Fiji as cited from the Ministry of Commerce of the Republic of Fiji Islands, and Mauritius as cited from the Mauritius Tourism Promotion Authority.

Thailand

Thailand's Ministry of Tourism and Sports reported that in the year 2023, Thailand welcomed approximately 28 million foreign visitors, marking a 1.5-fold increase compared to the previous year. Malaysia, China, and South Korea constituted the top three tourist demographics, respectively. In 2024, it is estimated that the number of tourists arrival will increase to around 33.5 million, a 19% growth from the previous year and accounting for an 84% recovery compared to Pre COVID-19. Key factors contributing to this growth include (1) the projected increase in Chinese tourist arrivals due to the introduction of a bilateral visa waiver starting from March 1, 2024, as well as potential tourist influx from other high-potential markets like Russia, South Korea, and Kazakhstan, (2) Government marketing strategies targeting high-spending groups and special interest groups such as Health & Wellness and eco-conscious travelers, and (3) Increased the number of flights, as well as improved land transportation connections to accommodate the rising demand.

Combined with the aforementioned supportive factors, the continuous efforts to enhance the SAii brand through room and communal space renovations, activity development, and service upgrades aim to elevate the experience for guests. This resulted in the recovery of the RevPAR in 2023 for the self-managed hotels in Thailand to rebound above pre-COVID-19 levels. The positive momentum from these recovery initiatives, along with the popularity of SHR's properties among global tourists and targeted marketing strategies focusing on new potential markets like Australia and the Middle East, positions the company for robust performance in the first quarter of 2024. This performance will be driven a sharp rise in occupancy rate to almost 90% level, along with a potential increase in ADR from new product offerings. This is expected to offset the impact of temporary closures for renovations at SAii Laguna Phuket during the off-peak tourism season.

Republic of Maldives

For the year 2023, the better-than-expected 1.9 million tourists were traveling to the Republic of Maldives, an increase of 12% from the previous year. This notable upsurge, exceeding 2019 levels by 10%, reflects a robust revival in the Maldives' tourism sector, renowned as a leading destination for international tourists. The top three tourist origins, comprising approximately 32% of the total, were tourists from Russia, India, and China, respectively. However, due to intensifying competition, especially during the off-peak tourism season in the past year, prompted companies to implement various strategies. These included dynamic pricing strategies for rooms, targeted marketing efforts in emerging tourist markets such as China, Kazakhstan, and the Middle East, and emphasizing product and service development to diversify revenue streams. As a result, overall occupancy rates for the year 2023 remained above the market average, experiencing a slight increase to 67%. Moreover, there was a noticeable uptick in non-room revenue, effectively offsetting the impact of decreased ADR.

For the year 2024, the Maldives Association of Travel Agents and Tour Operators (MATATO) anticipates a sustained growth trajectory, targeting 2 million foreign visitors. This is supported by (1) policy initiatives aimed at introducing new offerings tailored to diverse market segments, including family travelers, Millennials, Gen Z seeking experiential journeys, and MICEs, in addition to the main base of tourists from Europe and the Middle East which continue to grow steadily, (2) the upward trend in flight frequencies and Chinese tourist arrivals since the fourth quarter of 2023, expected to contribute to improving average occupancy rates especially during the off-peak tourism season from the previous year, and (3) the increased capacities to accommodate more tourists after the completion of investments in the international airport terminal upgrade, which expected to be completed in the fourth quarter of 2024. With these supporting factors, coupled with the elevation of the CROSSROADS project, following the opening of SO/ Maldives hotels as an integrated leading leisure destination offering diverse product options catering to all types of tourists. This development is expected to draw more high-spending tourist groups from key markets such as the UK, Russia, the USA, and the Middle East. As a result, companies foresee a robust performance in the first half of 2024, anticipating substantial growth in both occupancy rates and ADR compared to the previous year.

United Kingdom

The tourism sector in the United Kingdom continues to demonstrate robust recovery, both visitor numbers and expenditures compared to pre-pandemic levels in 2019. The aforementioned recovery momentum contributed to outstanding operational performance in 2023 for UK portfolio hotels, excelling across all performance indicators. Notably, the Revenue per Available Room (RevPAR) reached £60, representing the highest level since the portfolio’s inception.

The government of United Kingdom sets to launch campaigns targeting high-growth potential markets such as Australia, and the United States, as well as major countries in Europe and the Middle East. It is projected that in 2024, the number of foreign tourists entering the United Kingdom will reach approximately 39.5 million, representing a 5% growth YoY. Forecasts for tourist expenditures in 2024 stand at GBP 34.1 billion, growing by 7% YoY. Building upon the aforementioned recovery trends, the UK portfolio hotels are undergoing asset enhancements and considerations for rebranding and repositioning strategies aimed at accessing high-spending market segments with less price-sensitive and enhanced responsiveness to prevailing travel preferences. These initiatives align with efficiency improvement strategies and profitability improvement of the portfolio. The operational performance of hotel groups in the United Kingdom is expected to sustain continuous growth in 2024.

Republic of the Fiji

The Republic of Fiji welcomed the highest number of foreign tourists in history in 2023, with 929,740 visitors, marking a 46% increase from the previous year and surpassing pre-pandemic 2019 levels by 4%. The top three tourist source markets were Australia, New Zealand, and the United States, collectively comprising 81% of the market share. This rapid recovery underscores the destination's exceptional allure, particularly favored by travelers seeking leisurely vacations, as evidenced by the expansion of flight routes in numerous countries. For example, Canada, Japan, Hong Kong, and China signals a definitive resurgence in tourist volumes since April 2023. Capitalizing on these conducive factors, alongside an increase in ADR by 25% resulting from the introduction of new offerings post-renovation, which mitigated the impact of limited room availability at the Outrigger Fiji Beach Resort due to ongoing renovations in the previous year. This resulted in remarkable operational growth in 2023, recording all-time high RevPAR, amounting at FJD 421.

For 2024, it is projected that the number of foreign tourists traveling to the Republic of Fiji will reach another record high, exceeding 1 million, driven by sustained tourism demand. Additionally, there is a high rate of repeat customer stays among the primary customer groups from Australia and New Zealand. The successful execution of wedding business operations within the company's hotel properties, combined with the return to full room capacity and the potential for further increases in ADR at the Outrigger Fiji Beach Resort, is expected to significantly contribute to the company's anticipated strong operational performance throughout 2024.

Republic of Mauritius

The tourism industry in the Republic of Mauritius witnessed a rapid resurgence during the second half of 2023. This is evident from the significant increase in international tourists throughout the year, totaling 1.25 million people, marking a 25% YoY increase and a 90% recovery compared to 2019 levels. The top three tourist source markets were France, the United Kingdom, and Germany. However, the operational performance of the Outrigger Mauritius Beach Resort in 2023 experienced a setback due to temporary closures for the enhancement of the hotel's water management system. With these improvements completed, the hotel was able to resume operations by the end of October last year.

The clear indication of a more substantial recovery in the average occupancy rate of Outrigger Mauritius Beach Resort hotels since December 2023, sustained through the first quarter of 2024, coupled with the upward trajectory in ADR from the previous year, aligns with the projected increase in tourist arrivals to the Republic of Mauritius in 2024, expected to exceed 1.35 million. This growth stems from both traditional key tourist groups and potential travelers from emerging markets, notably Poland, Australia, India, Russia, and China. Furthermore, the increase in flight frequencies from Australia, India, and Turkey provides further support for the company's anticipation that the RevPAR of hotels in Mauritius in 2024 will revert to pre-COVID-19 levels.

Commercial business

The overall average occupancy rate in 2023 exhibited notable stability, registering at 84%. This accomplishment was attributed to the implementation of strategic asset enhancement plans tailored to accommodate tenant needs, complemented by a steadfast commitment to balanced customer portfolio management strategies. 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. Furthermore, the company is focused on securing long-term rentals as a proactive measure to mitigate the potential impact of intensified 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 advantages of this building lie in its strategic location in the high potential area and its integration of a Hybrid Workplace concept, offering elevated levels of working flexibility. 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 and expect 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 mainly contributed from 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.

As of December 2023, S Industrial Estate Angthong has recorded a cumulative land transfer of 87 rais. The Company anticipates an accelerated growth in transfer activities in 2024, building upon the completion of land and infrastructure development by the end of the previous year. Moreover, 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. Given favorable conditions, the Company set its transfer target between 20% and 25% of the total saleable area annually.

(2) Power plant business: The company will recognize the revenue through profit-sharing in accordance with a joint-venture agreement, where it holds a 30% stake in three power plants with more than 400 MW installed capacity. B.Grimm Power (Angthong) 1 – 3 Company Limited have fully commenced commercial operation in December 2023. This involves the licensing of 270 MW, representing approximately 70% of total capacity, under a 25-year-term power purchase agreement with the Electricity Generating Authority (EGAT).

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

Consolidated Statement of Comprehensive Income

	Q4/2022		Q4/2023		% Y-o-Y	FY2022		FY2023		% Y-o-Y
	THB m	%	THB m	%		THB m	%	THB m	%	
Revenue from sales of real estate	1,135	28%	1,735	38%	*53%*	2,554	20%	3,638	25%	42%
House and condominium units	*1,135*	*28%*	*1,724*	*37%*	*52%*	*2,356*	*19%*	*3,416*	*23%*	*45%*
Industrial Estate	*0*	*0%*	*10*	*0%*	*N/A*	*197*	*2%*	*47*	*0%*	*N/A*
Rental fee from long term lease	*0*	*0%*	*0*	*0%*	*N/A*	*0*	*0%*	*175*	*1%*	*N/A*
Revenue from rental and services	2,904	72%	2,868	62%	-1%	9,976	80%	11,037	75%	11%
Hospitality	*2,569*	*64%*	*2,479*	*54%*	*-4%*	*8,692*	*69%*	*9,701*	*66%*	*12%*
Commercial	*247*	*6%*	*290*	*6%*	*18%*	*1,014*	*8%*	*1,060*	*7%*	*4%*
Others business	*87*	*2%*	*100*	*2%*	*14%*	*269*	*2%*	*277*	*2%*	*3%*
Revenue	**4,038**	**100%**	**4,603**	**100%**	**14%**	**12,530**	**100%**	**14,675**	**100%**	**17%**
Gross profit	**1,569**	**39%**	**1,649**	**36%**	**5%**	**4,474**	**36%**	**5,102**	**35%**	**14%**
Other income	69	2%	90	2%	32%	225	2%	391	3%	74%
Gain (Loss) from revaluation	517	13%	994	22%	92%	517	4%	994	7%	92%
Selling expense	-199	-5%	-257	-6%	29%	-618	-5%	-760	-5%	23%
Administrative expense	-805	-20%	-697	-15%	-13%	-2,566	-20%	-2,653	-18%	3%
Finance costs	-374	-9%	-471	-10%	26%	-1,315	-10%	-1,853	-13%	41%
Net gains on exchange rate	-10	0%	-12	0%	26%	24	0%	0	0%	-102%
Share of loss from investment in joint ventures	48	1%	9	0%	-82%	95	1%	46	0%	-51%
EBT	**815**	**20%**	**1,304**	**28%**	**60%**	**837**	**7%**	**1,267**	**9%**	**51%**
Income tax expense	-404	-10%	-896	-19%	-122%	-366	-3%	-1,027	-7%	180%
Profit (loss) for the period	**411**	**10%**	**408**	**9%**	**-1%**	**471**	**4%**	**240**	**2%**	**-49%**
EBITDA	**1,498**	**37%**	**2,501**	**54%**	**67%**	**3,333**	**27%**	**4,459**	**30%**	**34%**
Normalized EBITDA	**1,075**	**27%**	**1,468**	**32%**	**37%**	**2,934**	**23%**	**3,509**	**24%**	**20%**
Normalized Profit for the Period after NCI	**-31**	**-1%**	**278**	**6%**	**995%**	**342**	**3%**	**236**	**2%**	**-31%**

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 recognition of long-term rental fee from commercial buildings, and revenue from industrial estate business.

Revenue from sales of house and condominium units

As of 31 December 2023, the Company and its subsidiaries has developed 10 residential projects for sales including horizontal houses and condominiums, valued at THB 27,560m(1). This includes 5 recent launched projects in 2023, which account for approximately 35% of the company's total project value. In Q4/2023, revenue from sales of house and condominium units reached THB 1,724m, improving by 52%. For 2023, revenue from the sale of houses and condominiums surged by 45% from the previous year, reaching THB 3,416m. This was mainly due to the full recognition of revenue from The ESSE Sukhumvit 36 amounting to THB 919m, the transfer of ownership of the Siraninn Residences project totaling THB 1,354m, and the recognition of revenue from projects newly launched in 2023 aggregating to THB 929m.

Residential projects for sales as of 31 December 2023 [1]:

Project	Project value (THB m)	Sold	Transfer
Existing Projects			
The ESSE Sukhumvit 36	5,908	85%	85% (of project value)
Santiburi The Residences	4,997	100%	67% (of project value) [2]
Siraninn Residences	2,905	76%	76% (of project value)
SENTRE	92	29%	29% (of project value)
The EXTRO	3,996	32%	Expected Transfer in 2024
New Projects Launched in 2023			
LA SOIE De S	1,035	53%	43% (of project value) [2]
SMYTH'S Ramintra	357	0%	Expected Transfer in 2024
S'RIN Ratchaphruek-Sai 1	3,712	13%	12% (of project value)
SHAWN Panya Indra	1,800	2%	2% (of project value)
SHAWN Wongwaen – Chatuchot	2,760	0%	Expected Transfer in 2024

Note: [1] Information presented in the table does not incorporate the value of projects currently under development. [2] The project value for Santiburi The Residences and LA SOIE De S are encompassed both land transfer and house construction cost, which will be progressively recognized based on the advancement of the construction progress.

Rental fee from long term lease agreement

The Company recorded the rental fees totaling THB 175m from long-term lease agreements for the Singha Complex building in 2023.

Revenue from sales of industrial area

In 2023, the company reported revenue of THB 36m from the sales of industrial area and THB 11m from infrastructure provision.

Revenue from rental and services

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

Hospitality Business

During the fourth quarter of 2023, the Outrigger hotels in the Republic of Fiji continued their robust growth trajectory primarily due to increased ADR. In parallel with the expanding revenue of hotels in the Republic of Maldives, where the number of tourists has increased from the previous year. However, overall operational performance was limited by the number of available rooms due to partial closures for renovation at two hotels in Thailand and the temporary shutdown of the Outrigger Mauritius Beach Resort. Additionally, revenue from the UK portfolio hotels declined owing to the preparation for the handover of the Mercure London Watford hotel at the end of 2023, following the expiration of the management lease agreement. Consequently, the company reported revenue for Q4/2023 at THB 2,479m, representing a marginal decline of 4% from the same period in the last year.

In the overall performance for the year 2023, the Group achieved a revenue from sales and services of THB 9,701m, marking a 12% increase compared to the previous year. This growth was primarily driven by the outstanding performance of the self-managed hotels in Thailand witnessing a revenue surge of 59% YoY. This aligns with the consistent growth performance of the Outrigger hotels in the Republic of Fiji and the UK portfolio hotels, which saw revenue increases of 13% and 8% from the previous year, respectively. This growth is supported by recovery of the tourism industry and improved operational efficiency within the company's hotel management. Despite challenging conditions among the tourism industry, the CROSSROADS project reported a modest revenue growth of 3%.

Operating performance of Hospitality business for the fourth quarter and the fiscal year 2023

Hotels	Q4/2022	Q4/2023	FY2022	FY2023
Self-Managed Hotels				
Number of hotel[(1)]	4	4	4	4
Number of key[(1)]	604	604	604	604
% Occupancy	57%	67%	72%	57%
ADR (THB)	5,709	8,096	7,435	9,012
RevPAR (THB)	3,237	5,391	5,346	5,104
Outrigger Hotels	*The exchange rate used for the calculation for the year 2022 is 16.01 THB/FJD, 0.80 THB/MUR. For the year 2023 is 15.61 THB/FJD, 0.77 THB/MUR*			
Number of hotel	3	3	3	3
Number of key	499	499	499	499
% Occupancy	80%	62%	64%	63%
ADR (THB)	7,304	10,176	7,296	9,527
RevPAR (THB)	5,811	6,273	4,638	5,962
Project CROSSROADS Hotels	*The exchange rate used for the calculation for the year 2022 is 35.06 THB/USD. For the year 2023 is 34.80 THB/USD*			
Number of hotel	2	3 [(2)]	2	3 [(2)]
Number of key	376	456 [(2)]	376	456 [(2)]
% Occupancy	63%	61%	66%	67%
ADR (THB)	16,123	15,201	14,120	13,334
RevPAR (THB)	10,185	9,311	9,293	8,877
UK Portfolio Hotels	*The exchange rate used for the calculation for the year 2022 is 43.26 THB/GBP. For the year 2023 is 43.29 THB/GBP*			
Number of hotel	27	27	27	27
Number of key	2,940	2,940	2,940	2,940
% Occupancy	63%	62%	60%	70%
ADR (THB)	3,421	3,716	3,476	3,764
RevPAR (THB)	2,145	2,312	2,083	2,617

Remark: (1) As Konotta Maldives is still under temporally closed, the Company excluded the hotel from the calculation of the key indicators

(2) Number of hotels and rooms changed from start of commercial operation of SO/ Maldives in November 2023

Commercial Business

As of 31 December 2023, the Company owned 5 commercial buildings providing net leasable area 194,146 sq.m. in total. The revenue generated from commercial business in Q4/2023 amounted to THB 290m, representing an 18% increase compared to the same period last year. This growth was primarily attributed to the heightened occupancy rate of the S OASIS building. In 2023, revenue increased by 4% from the previous year to THB 1,060m. This was mainly due to the initial revenue recognition for the first year of S OASIS building, which was partially offset by a decrease in the occupancy rate of the Singha Complex building. Nevertheless, the Company is actively engaged in negotiations for a new lease agreement with the long-term rental conditions and the effective customer targeting strategies, with a focus on high-growth industries. This approach is anticipated to bolster the business's performance amidst intense competition, pressured by the new supply.

Operating performance of Commercial business

Building	Q4/2022	Q4/2023	FY2022	FY2023
Suntower				
Space for rent (sq.m.)	63,673	63,673	63,673	63,673
Occupancy rate (%)	80%	79%	82%	82%
Singha Complex				
Space for rent (sq.m.)	58,927	58,927	58,927	58,927
Occupancy rate (%)	90%	86%	92%	84%
S Metro				
Space for rent (sq.m.)	13,677	13,677	13,677	13,677
Occupancy rate (%)	93%	96%	92%	94%
The Commercial Building Launched in Late 2022				
S OASIS				
Space for rent (sq.m.)	N/A	53,498	N/A	53,498
Occupancy rate (%)		25%		15%

Other businesses

Other businesses, covering construction service and project management service

In Q4/2023, the Group's realized revenue from other businesses totaling THB 100m, increased from THB 87m in Q4/2022. In 2023, revenue from other business grew to THB 277m, compared with THB 269m in 2022. This increase in revenue is attributed to the expansion of construction activities for Santiburi The Residences.

Gross Profit

Gross profit for Q4/2023 reported at THB 1,649m, indicating a 5% increase from THB 1,569m for Q4/2022. This increase correlates directly with the concurrent revenue growth. However, the gross profit margin stood at 36%, declined from 39% as the hospitality business performance was pressured by the temporarily suspension of the Outrigger Mauritius Beach Resort and the partial closure for major renovations of 3 hotels during the quarter which limit the maximum occupancy rate. In 2023, gross profit amounted to THB 5,102, increasing from THB 4,474m in 2022. This marked a substantial increase of 14% YoY, consistent with the 17% growth in revenue. The gross profit margin experienced a marginal decline to 35% from 36% during the specified period. The main reason was an increase in cost of sales for the residential real estate business.

Selling and Administrative Expenses

In Q4/2023, the Company reported selling and administrative expenses in an amount of THB 954m, decreased from THB 1,005m in Q4/2022. Selling expenses experienced a rise of THB 58m from the Q4/ 2022, aligning with the upsurge in revenue and marketing efforts during the expansion phase of the business portfolio. Meanwhile, administrative expenses decreased by THB 108m from Q4/2022, primarily attributable to stringent cost-control measures. In 2023, the selling and administrative expenses amounted to THB 3,413m, increased from THB 3,183m in the prior year, congruent with the business's efforts towards revival and expansion. However, the %SG&A to revenue decreased to 23% from the previous year's level of 25%, reflecting efficient resource allocation tailored to the phase of business enhancement and expansion into new markets.

Finance Costs

The Company reported finance costs at THB 471 in Q4/2023, increased from THB 374m in Q4/2022. In 2023, the financial costs rose to THB 1,853, compared with THB 1,315m from the prior 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 408m in Q4/2023, which is comparable to the figure of THB 411m recorded in the fourth quarter of prior year. In 2023 net profit amounted to THB 240m, experienced a decline from THB 470m in last year. The net profit (loss) attributable to the Owners of the parent amounted to THB 384m in Q4/2023, consistent with the net profit of THB 392m reported for Q4/2022. While the fiscal year 2023, net profit amounted to THB 211m, declined from THB 490m in the previous year.

The decline in profit stemmed from elevated depreciation and amortization expenses consequent to the reclassification of assets held for sale as PPE – net, alongside the asset revaluation in accordance with the hotel enhancement programs. Additionally, increased tax expenses and financial costs substantiated this decline.

Unit: THB million	31 December 2022	31 December 2023	Change
Cash and cash equivalent	3,422	3,034	-388
Inventories	763	1,322	559
Current assets	13,983	16,468	2,485
Investment property	19,720	19,935	216
PPE – net	28,820	31,579	2,760
Non-current assets	54,827	58,130	3,303
Total Assets	**68,810**	**74,598**	**5,788**
Current liabilities	9,984	10,611	628
Non-current liabilities	36,221	41,279	5,058
Total liabilities	**46,204**	**51,890**	**5,686**
Total equity	**22,606**	**22,708**	**102**
Interest-bearing debt excluding lease liability	29,866	34,458	4,591
Gearing ratio (times)	1.32x	1.52x	
Net gearing ratio (times)	1.17x	1.38x	

As at 31 December 2023, the Company reported total assets of THB 74,598m or increased by 8% from 31 December 2022, including (1) Current assets in an amount of THB 16,468m, increased THB 2,485m 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 58,130m, increased THB 3,303m from an increase in Property, plant and equipment of the hospitality business.

Total liabilities stood at THB 51,890m increased by 12% 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 Group's issuance of debentures amounted to a total of THB 3,000 m. Consequently, the interest bearing debt raised to THB 33,014m. As for the shareholders' equity, it amounted to THB 22,708m, increasing from THB 22,606m at the end of 2022, mainly due to the profits generated in FY2023.

The increase in interest-bearing debt at a higher proportion than the growth in shareholders' equity , led to an increase in the gearing ratio to 1.38x, a figure well below the Company's covenant threshold.

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