Singha Estate Public Company Limited
Management Discussion and Analysis Q1/2024

Executive Summary

The Thai economy in the first quarter of 2024 (Q1/2024) encountered impediments to its recovery, primarily stemming from a continued contractions in the manufacturing sector and a deceleration in domestic spending, despite a resurgence in tourism and exports. However, the Company reported total revenue from sales and services of THB 4,034m, marking a significant 21% increase compared to the same period in the previous year. Combined with effective cost and expense control, the group reported EBITDA of THB 947m and net profit for the Q1/2024 of THB 104m, reflecting a notable 46% increase over the previous year, surpassing the growth rate of revenue.

The revenue from sales of real estate increased 119% to THB 997m, comprising of (1) the revenue from sale houses and condominium units amounted to THB 778m which separated to condominium 54% and landed properties 46% of total sales and (2) the revenue from industrial estate business aggregated to THB 219m, predominantly stemming from the land transfer of S Industrial Estate Angthong.

In addition, the revenue from rental and services amounted to THB 3,037m improved by 5% from the last year. This was mainly driven by (1) Revenue from the hospitality business saw an 8% improvement over the previous year, amounting to THB 2,743m, supported by the sustained expansion in global tourism demand and the favorable reception of newly introduced room product following the renovation of the SAii Laguna Phuket, SAii Phi Phi Island Village, and Outrigger Fiji Beach Resort (2) Commercial property revenue experienced a 12% growth to THB 280m, attributed to the gradual handover of rental space to tenants for the S OASIS building. However, revenue from other services declined to THB 14m, mainly due to lower construction revenue for the Santiburi The Residences project, reflecting a slowdown in customer orders due to macroeconomic factors.

Throughout the remainder of 2024, the Thai economy is poised to rebound in tandem with the expansion of the tourism sector, reinforced by government spending acceleration and other stimulus measures. Consequently, the company anticipates robust revenue growth across all business segments for the year 2024. This optimistic outlook is further buoyed by additional factors, including 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 Q1/2024, the company recorded revenue from the transfer of ownership of residential projects amounting to THB 778m, reflecting a notable increase of 85% compared to the previous year. Revenue generated from the transfer of ownership of horizontal projects totaled THB 358m, encompassing: (1) Ownership transfer of 1 plot at SIRANINN Residences project, leaving 6 plots available for sale and (2) Ownership transfer of 7 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 421m. These were from The ESSE Sukhumvit 36 project and The Extro Phayathai – Rangnam, commenced the ownership transfers in March 2024. Currently, the Extro holds a backlog of revenue to be recognized amounting to THB 1,294m.

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 79% 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 19% of the project value. The company anticipates further sales and subsequent transfers to be recognized for both projects throughout the year 2024.

Additionally, as of March 31, 2024, the company retains a backlog of revenue awaiting recognition, totaling THB 2,911m. The company aims to recognize revenue from the transfer of ownership for approximately 60% of this backlog in 2024, with a focus on projects such as Santiburi The Residences, LA SOIE de S, and The Extro Phayathai – Rangnam.

<u>The upcoming projects set for launch in 2024 can be itemized as follows:</u>

Quarter 1: The SHAWN Panya Indra and SHAWN Wongwaen – Chatuchot projects are scheduled to open for public viewing in late March and anticipated to bolster revenue in the second quarter. Both projects are single-detached houses 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 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 37 properties 4,393 keys in the portfolio.

The global tourism industry continues its sustained recovery, as forecasted by the United Nations World Tourism Organization (UNWTO), with global outbound tourist numbers expected to surpass pre-Covid-19 levels by 2%, reaching over 1.5 billion in 2024, marking a 17% increase from the previous year. This growth is primarily fueled by the ongoing expansion of tourism demand, notably from Chinese tourists, who dominate the global market share, as observed in 2019, along with high-spending tourists from the United States and the Middle East. This trend is supported by the increasing number of flight routes and flight frequencies. Moreover, according to the Pacific Asia Travel Association (PATA) report, the Asian region is poised to become the fastest-growing destination, driven by its exceptional value for money and its ability to cater to the growing trend of experiential tourism, attracting over 619 million tourists, reflecting a 25% increase from the previous year.

However, the recovery of the tourism industry in 2024 may face challenges stemming from various factors, including the potential economic slowdown, geopolitical tensions, particularly in the Middle East, and volatile weather conditions that could exacerbate, potentially impacting tourism businesses in terms of revenue and cost management. The Company will assess appropriate strategies to mitigate potential impacts, including expanding sales channels and employing flexible marketing strategies to reach diverse customer segments, in order to achieve the planned operational objectives.

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	35.1
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	1.3	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

In the first quarter of 2024, Thailand's Ministry of Tourism and Sports revealed that approximately 9.4 million tourist visitors, marking a 44% increase compared to the corresponding period in the previous year. The top three tourist origins were China, Malaysia, and Russia, respectively. This significant growth trajectory prompted an upward adjustment in the projected number of foreign tourist arrivals for 2024, now forecasted to reach 35 million. This growth can be attributed to several factors: (1) The gradual recovery of key tourist markets such as South Korea, Germany, and Japan, coinciding with the resumption of international flights, signaling a return to normalcy. (2) Key government initiatives promoting tourism, including visa exemptions for Chinese tourists and temporary exemptions for tourists from India, Taiwan, Kazakhstan, and Russia, alongside Thailand's tourism roadshow initiative targeting high-potential markets, especially in the Middle East. (3) Competitive advantage of Thailand tourism in terms of value for money compared to other leading tourist destinations.

Leveraging these supportive factors, coupled with the full utilization of available room inventory during the peak tourism season and the ability to raise room rates through the introduction of new products, the RevPAR of the Company's self-managed hotels in Thailand witnessed growth in the first quarter of 2024, reaching record highs since inception. This positive recovery momentum, combined with diverse strategic initiatives, including market expansion, enhanced cost control and expense management, along with SAii brand enhancement, is anticipated to offset the impact of temporary closures for renovations planned at the SAii Laguna Phuket. This will enable the hotel operational performance in 2024 to be at par compared with the previous year, despite greater number of renovated rooms. These hotel renovations are scheduled for the off-peak tourism period, running from May to early December 2024. The objective is to enhance long-term competitiveness and facilitate sustained business growth, spanning from late 2024 into 2025.

The Republic of Maldives

For the first quarter of 2024, the Republic of Maldives welcomed over 600,000 tourists, reflecting a 15% upsurge compared to the same period of the prior year. Notably, Chinese tourist arrivals surged nearly threefold, constituting approximately 11% of the total tourist arrivals. This substantial increase is directly linked to the visa exemption policy enacted between the two nations, effective from January 2024. Similarly, the uptick in arrivals from key European markets such as the United Kingdom, Italy, and Germany. This growth is further propelled by the successful execution of proactive marketing strategies targeting a diverse customer segment. Consequently, during Q1/2024, hotels in CROSSROADS project, including the Hard Rock Hotel Maldives, SAii Lagoon Maldives, and SO/ Maldives, achieved their highest-ever RevPAR since inception, signaling a 5% growth compared to the same period in the previous year.

Throughout 2024, the Maldives Association of Travel Agents and Tour Operators foresees approximately 2 million foreign tourists visiting the Republic of Maldives. This projection is supported by (1) Investment support policies aimed at introducing new tourism products and experiences tailored to meet diverse consumer preferences. (2) Strategic emphasis on capitalizing on off-peak tourism seasons, with targeted efforts to tap into emerging markets like Japan and attract tourists from Southeast Asia. Moreover, planned roadshows aim to revive tourism from India in the latter half of the year. (3) The increasing trend in flight numbers from Europe, China, and Malaysia aligns with the anticipated surge in tourist arrivals, following the completion of renovations at Velana International Airport, slated for early fourth quarter of 2024. Leveraging these supportive elements, in conjunction with ongoing refinement of adaptable and proactive marketing tactics, and the strategic development of beach clubs, spas, and restaurants within the CROSSROADS project, aims to maximize success following its full launch across all three islands. Notably, the newly launched hotel "SO/ Maldives" has been well-received, contributing to a positive reception overall. As a result, the company anticipates significant growth in its financial performance for the year 2024.

United Kingdom

During the fourth quarter of 2023, the UK's tourism sector exhibited signs of a slower recovery, evidenced by declines in both the number of foreign tourists and overall spending compared to the same period in 2022. This trend was primarily influenced by European tourists choosing warmer destinations in Southern Europe, the Middle East, and Asia. Furthermore, a March 2024 survey conducted by Visit England highlighted that higher living costs and unpredictable weather conditions contributed to a decrease in domestic tourism demand, particularly during off-peak seasons, compared to the previous year. Moreover, the expiration of the long-term exclusive use agreement with the government for Mercure London Watford Hotel, along with the management lease agreement at the end of 2023, led to decreased operational performance of UK portfolio hotels in the Q1/2024 compared to the same period of the previous year.
However, it is expected that the UK tourism sector will gradually recover, propelled by targeted campaigns aimed at attracting tourists from high-potential markets such as the Middle East, the United States, and Australia. These initiatives are anticipated to yield more tangible positive outcomes starting from May 2024 onwards. Consequently, throughout the year, an estimated 39.5 million foreign tourists are projected to visit the United Kingdom, representing a 5% YoY increase or a robust recovery of 97% compared to 2019. The forecast for foreign tourist spending in 2024 is 34.1 billion pound sterling, reflecting a 7% YoY increase and a 20% increase compared to 2019. These projections, coupled with strategies to enhance asset quality through room renovations, upgrades to common areas and restaurants, as well as rebranding and repositioning efforts for select hotels in tourist destinations and key business centers, aim to attract high-spending and less price-sensitive market segments. Furthermore, the continued implementation of asset rotation strategies will enhance the efficiency and profitability of the portfolio, consequently fostering stable growth in the overall operational performance of the UK portfolio hotels.

Republic of the Fiji

After the successful implementation of Fiji's tourism authority's "Where Happiness Comes Naturally" campaign, which showcased the natural beauty, indigenous culture, and local heritage of the Republic of Fiji, in line with the growing trend of experiential tourism, there was a significant increase in foreign tourist arrivals during the Q1/2024. The total number of visitors reached 194,391, marking an 11% increase compared to the same period in the previous year. The primary source countries were Australia, New Zealand, and the United States, collectively constituting 76% of the total influx. Similarly, the fruitful collaboration between Fiji's tourism authority and Trip.com, along with the resumption of direct flights from Japan and Hong Kong since 2023, resulted in a considerable increase in tourists from Japan and China. Compared to the first quarter of 2023, arrivals from Japan surged by 5.9 times and from China by 1.8 times. Consequently, this contributed to a significant 36% YoY growth in RevPAR during the Q1/2024.

For the entirety of 2024, it is projected that the number of foreign tourists visiting the Republic of Fiji will surpass the one million marks, driven by sustained growth in demand from family travelers, eco-tourists, and couples, in tandem with the continuous expansion of flight routes, as well as planned roadshows aimed at attracting more visitors from India and South Korea. With these supportive factors in place, alongside the potential for rate increases through the introduction of new offerings and the restoration of full room availability at the Fiji Beach Resort, the company anticipates outstanding operational performance growth for hotels in the Republic of Fiji throughout 2024.

Republic of Mauritius

During the first quarter of 2024, the Republic of Mauritius welcomed a total of 328,958 foreign tourists, marking a 10% YoY increase. The primary visitor countries included France, the United Kingdom, and Germany. Concurrently, the relaunch of direct flights from Russia, resulted in a notable surge in Russian tourists, increasing by 2.3 times compared to the same period in the previous year. Projections suggest a continual rise in tourist arrivals to the Republic of Mauritius throughout 2024, with an aim of reaching 1.4 million visitors. This growth is underpinned by the appeal to key tourist segments from Europe and the increasing travel demand from emerging markets such as Russia, China, and Australia. This trajectory aligns with the increasing flight numbers and forthcoming roadshow initiatives.

After the resumption of hotel operations in late 2023, the occupancy rate for Outrigger Mauritius Beach Resort has steadily increased, particularly in March 2024, signaling a robust recovery. Consequently, the company anticipates a notable performance rebound in the second half of 2024, with a complete return to normal operations projected for 2025.

Commercial business

Despite the office building market being heavily supplied, especially with new office spaces concentrated in CBD areas, the Company's office buildings maintained a consistent average occupancy rate of 83% in the first quarter of 2024. 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.

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.

Office leasing demand is projected to experience modest growth in 2024, driven by demand for Grade A office space and a preference for green office buildings that prioritize ESG (environmental, social, and governance) principles. These principles encompass energy and environmental conservation, health and well-being, and adherence to globally recognized construction standards such as LEED green building certifications.

The S OASIS, a Grade A office building situated in a non-CBD area, boasts around 54,000 square meters of leasable space, and was recently unveiled in late 2022. The building offers several advantages, including its ability to support flexible work arrangements as a Hybrid Workplace and its location in a high-potential area. Furthermore, its design complies with LEED (Leadership in Energy & Environmental Design) standards, which is a key consideration for tenants seeking sustainable office spaces. 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. For the first quarter of 2024, the Company has sold and transferred 56 rai of land. As of March 31, 2024, the Company has accumulated a total of 143 rai of land transferred, representing 14% of the total saleable area. The Company anticipates an accelerated growth in transfer activities in 2024, driven by the following factors: (1) The completion of land and infrastructure development in late 2023. (2) Support from the Industrial Estate Authority of Thailand (IEAT) to open a one-stop service center for industrial estate businesses in September 2023 (3) Positive investment outlook for Thailand driven by relocation of investment and production bases. The company is presently engaged in discussions to sell land to clients across diverse sectors such as electronics, automotive, food and beverage, and others. 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

	Q1/2023		Q1/2024		% Y-o-Y
	THB m	%	THB m	%	
Revenue from sales of real estate	455	14%	997	25%	*119%*
House and condominium units	*420*	*13%*	*778*	*19%*	*85%*
Industrial Estate	*36*	*1%*	*219*	*5%*	*515%*
Rental fee from long term lease	*0*	*0%*	*0*	*0%*	*N/A*
Revenue from rental and services	2,879	86%	3,037	75%	5%
Hospitality	*2,544*	*76%*	*2,743*	*68%*	*8%*
Commercial	*250*	*7%*	*280*	*7%*	*12%*
Others business	*85*	*3%*	*14*	*0%*	*-83%*
Revenue	**3,335**	**100%**	**4,034**	**100%**	**21%**
Gross profit	**1,276**	**38%**	**1,573**	**39%**	**23%**
Other income	70	2%	77	2%	9%
Selling expense	-169	-5%	-230	-6%	36%
Administrative expense	-621	-19%	-766	-19%	23%
Finance costs	-471	-14%	-477	-12%	1%
Net gains on exchange rate	-17	-1%	-16	0%	-3%
Share of loss from investment in joint ventures	29	1%	-44	-1%	-254%
EBT	**96**	**3%**	**116**	**3%**	**20%**
Income tax expense	-25	-1%	-12	0%	52%
Profit (loss) for the period	**71**	**2%**	**104**	**3%**	**46%**

EBITDA	**860**	**26%**	**947**	**23%**	**10%**
Normalized EBITDA	**893**	**27%**	**958**	**24%**	**7%**
Normalized Profit for the Period after NCI	**113**	**3%**	**73**	**2%**	**-35%**

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 March 2024, the Company and its subsidiaries has developed 10 residential projects for sales including horizontal houses and condominiums, valued at THB 28,019m[1]. This includes 5 recent launched projects in 2023, which account for approximately 35% of the company's total project value.

In Q1/2024, the company recorded revenue from sales of house and condominium units amounting to THB 778m, marking an 85% increase compared to the same period of previous year. This was mainly attributed to the revenue recognition from the S'RIN Ratchaphruek-Sai 1 project and the commencement of ownership transfers for The EXTRO Phyathai Rangnam project.

Residential projects for sales as of 31 March 2024 [1]:

Project	Project value (THB m)	Sold	Transfer
Existing Projects			
The ESSE Sukhumvit 36	5,920	87%	86% (of project value)
Santiburi The Residences	5,024	100%	71% (of project value) [2]
Siraninn Residences	2,876	79%	79% (of project value)
SENTRE	77	35%	35% (of project value)
The EXTRO	3,996	37%	9% (of project value)
New Projects Launched in 2023			
LA SOIE De S	1,035	53%	43% (of project value) [2]
S'RIN Ratchaphruek-Sai 1	3,720	20%	19% (of project value)
SHAWN Panya Indra [3]	1,802	2%	2% (of project value)
SHAWN Wongwaen – Chatuchot [3]	2,816	0%	Expected Transfer in 2024
SMYTH'S Ramintra [3]	397	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. [31] The projects are officially launched in 2024.

Revenue from sales of industrial area

In Q1/2024, the company reported revenue of THB 209m from the sales of industrial area and THB 10m from infrastructure provision.

Revenue from rental and services

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

Hospitality Business

In Q1/2024, the company recorded revenue from sales and services amounting to THB 2,743m, marking an 8% increase compared to the corresponding period last year. This growth was driven by the revenue generated by self-managed hotels in Thailand and Outrigger hotels in the Republic of Fiji, which saw YoY growth rates of 15% and 29% respectively. This outcome stemmed from the introduction of newly refurbished rooms in 2023, which notably contributed to a significant rise in ADR. Moreover, there was a 12% increase in hotel revenue at the CROSSROADS project, fueled by continuous growth in tourism demand and the ability to increase ADR from the effective marketing approaches. Additionally, non-room revenue grew by 7% YoY, aligning with the company's strategy to diversify revenue streams. However, the UK portfolio hotels experienced a 6% decline in revenue, primarily attributed to the expiration of the long-term exclusive use contract with the government for some hotels at the end of 2023.

Operating performance of Hospitality business

Hotels	Q1/2023	Q1/2024
Self-Managed Hotels[1]		
Number of hotel	4	4
Number of key	604	604
% Occupancy	88%	89%
ADR (THB)	9,840	11,200
RevPAR (THB)	8,611	9,914
Outrigger Hotels		
Number of hotel	3	3
Number of key	499	499
% Occupancy	55%	54%
ADR (THB)	6,831	8,590
RevPAR (THB)	3,783	4,657
Project CROSSROADS Hotels [2]		
Number of hotel	2	3
Number of key	376	456
% Occupancy	88%	81%
ADR (THB)	13,994	16,780
RevPAR (THB)	12,241	13,591
UK Portfolio Hotels [3]		
Number of hotel	27	26
Number of key	2,940	2,781
% Occupancy	66%	59%
ADR (THB)	3,133	3,439
RevPAR (THB)	2,055	2,032

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

(3) The number of hotels and rooms changed as a result of the expiration of the management lease agreement for Mercure London Watford Hotel, comprising 159 rooms, by the end of 4Q'2023.

Commercial Business

As of 31 March 2024, the Company owned 5 commercial buildings providing net leasable area 194,146 sq.m. in total. The revenue generated from commercial business in Q1/2024 amounted to THB 280m, representing an 12% increase compared to the same period last year. This growth was primarily attributed to the heightened occupancy rate of the S OASIS building.

Operating performance of Commercial business

Building	Q1/2023	Q1/2024
Suntower		
Space for rent (sq.m.)	63,673	63,673
Occupancy rate (%)	83%	76%
Singha Complex		
Space for rent (sq.m.)	58,927	58,927
Occupancy rate (%)	81%	87%
S Metro		
Space for rent (sq.m.)	13,677	13,677
Occupancy rate (%)	93%	98%
The Commercial Building Launched in Late 2022		
S OASIS		
Space for rent (sq.m.)	N/A	53,498
Occupancy rate (%)		27%

Other businesses

Other businesses, covering construction service and project management service

In Q1/2024, the Group's realized revenue from other businesses totaling THB 14m, decreased from THB 85m in Q1/2023. This decline was attributed to the lower construction revenue for the Santiburi The Residences project.

Gross Profit

Gross profit for Q1/2024 reported at THB 1,573m, indicating a 23% increase from THB 1,276m for Q1/2023. The gross profit margin stood at 39%, slightly improved from 38% as the hospitality business performance. The main reason was the success of elevating ADR through room development initiatives and efficient targeted marketing strategies, despite an increase in cost of sales for the residential real estate business.

Selling and Administrative Expenses

In Q1/2024, the Company reported selling and administrative expenses in an amount of THB 996m, increased from THB 790m in Q1/2023. At the same time, the %SG&A to revenue increased to 25% from the previous year's level of 24%, reflecting the business enhancement and expansion into new markets.

Selling expenses experienced a rise of THB 61m from the Q1/ 2023, aligning with the upsurge in advertising and marketing efforts during the expansion phase of the residential business portfolio. Alongside with the advertising and marketing promotion expenses incurred by hotels in Thailand, the Maldives, and the United Kingdom.

Meanwhile, administrative expenses increased by THB 145m from the corresponding period of the previous year. This increase primarily stemmed from higher staff expenses incurred to support business growth and strengthen the Group's competencies, increased hotel management fees, in line with the rising revenue and profit of hotels in Fiji, along with the recognition of depreciation expenses for the Konotta Maldives.

Finance Costs

In Q1/2024, the Company disclosed finance costs totaling THB 477 million, consistent with the figure of THB 471 million reported in Q1/2023.

Net Profit (loss)

The Company announced a net profit for the period of THB 104m in Q1/2024, marking 46% improve from THB 71m in Q1/2023. The net profit (loss) attributable to the Owners of the parent amounted to THB 62m in Q1/2024, experienced an increase from THB 25m reported for Q1/2023.

The profit enhancement was primarily attributed to improved performance across all business sectors within the portfolio, notably driven by increased transfer activities in residential and industrial estate operations. However, this was partially offset by higher depreciation and amortization expenses, as well as a share of losses from joint ventures, compared to Q1/2023.

Unit: THB million	31 December 2023	31 March 2024	Change
Cash and cash equivalent	3,034	2,864	-169
Inventories	1,322	1,254	-68
Current assets	16,468	16,418	-50
Investment property	19,935	19,963	28
PPE – net	31,579	32,966	1,386
Non-current assets	58,130	59,517	1,387
Total Assets	**74,598**	**75,935**	**1,337**
Current liabilities	10,611	10,918	307
Non-current liabilities	41,279	41,308	29
Total liabilities	**51,890**	**52,226**	**335**
Total equity	**22,708**	**23,710**	**1,002**
Interest-bearing debt excluding lease liability	34,458	34,658	200
Gearing ratio (times)	1.52x	1.46x	
Net gearing ratio (times)	1.38x	1.34x	

As at 31 March 2024, the Company reported total assets of THB 75,935m or increased by 2% from 31 December 2023, including (1) Current assets in an amount of THB 16,418m, decreased THB 50m from the ending of last year. This was mainly due to a decline in Cash and cash equivalents, aligning with the loan repayment and (2) Non-current assets in an amount of THB 59,517m, increased THB 1,387m from an increase in Property, plant and equipment of the hospitality business, mainly due to the impact of foreign currency translation adjustments.

Total liabilities reached THB 52,226m, reflecting a 1% increase from 31 December 2023. This rise was driven by a debenture issuance of THB 1,000m in February, despite adhering to the scheduled loan repayments. As a result, interest-bearing debt rose to THB 34,658m.

The shareholders' equity amounted to THB 23,710m, increasing from THB 22,708m at the end of 2023, driven by first-quarter 2024 profits and currency translation adjustments. Consequently, the interest-bearing debt-to-equity ratio (IBD/E) declined to 1.34x, below the company's target financial leverage threshold.

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