



**ASSET WORLD**  
CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FINANCIAL RESULTS  
OF THE 1<sup>ST</sup> QUARTER OF 2024

BUILDING  
A BETTER FUTURE

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## Economy

The Bank of Thailand has adjusted the economic growth rate to 2.6% for 2024 and 3.0% for 2025. In 2024, the Thai economy showed an expanding trend from the previous year due to the improving tourism situation, both in terms of tourist numbers and average spending per person. Private consumption continued to expand, while increased government spending is expected for the remainder of this year. Meanwhile, the Ministry of Commerce estimated that Thailand's exports would expand by 1.99% in this year. The Trade Policy and Strategy Office (TPSO) revealed that the general inflation rate in March 2024 was at 107.25, a decrease of 0.47% from the same period of the previous year, attributed to lower fresh food and lower energy prices due to government measures. It is forecast that the general inflation rate in the second quarter of 2024 will increase from the first quarter, ranging from 0.5%-0.6%, driven by the following factors: 1. rising global oil prices, a weaker exchange rate compared to the first quarter of 2024 2. prolonged signals of interest rate stability from the Federal Reserve, 3. lower electricity tariffs compared to the previous year, and 4. improved tourism sector adjustments leading to higher prices of related goods.

## Tourism Industry

The Ministry of Tourism and Sports reports that Thailand's tourism industry is in a phase of recovery from the global tourism downturn. From January 1 to April 1 2024, 9.4 million international tourists visited Thailand, a 45% increase compared to the same period in 2023. The top five countries with the highest number of foreign tourists were: 1. China, 2. Malaysia, 3. South Korea, 4. Russia, and 5. India. This growth is supported by factors such as the depreciating Thai baht, the implementation of the visa-free program for Chinese, Kazakhstani, Indian, and Taiwanese tourists, as well as extending the stay duration for Russian tourists to 90 days. In 2024, the government set a revenue target of 3.5 trillion baht from tourism operations under five key strategies: 1. enhancing the tourism experience in Thailand, 2. promoting Thai identity or "Thainess", 3. linking main and secondary tourist cities to neighboring cities, 4. becoming a hub of ASEAN tourism, and 5. serving as a global event center throughout the year in order to be a tourism hub and a global tourist destination. Additionally, the Tourism Authority of Thailand (TAT) has set an immediate sustainability goal called "Sustainably NOW." In 2024, the focus will be on accelerating the "resilience" towards high-value and sustainable tourism, emphasizing value and sustainability. This involves creating a new tourism ecosystem by reducing dependence on mass tourism and focusing on generating income from high-spending tourists, developing supply

chain partnerships in the industry to prepare for high-quality tourist groups, and ensuring fair income distribution to achieve balance in economic, social, environmental, and cultural dimensions.

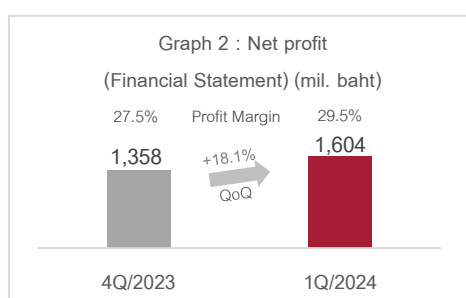
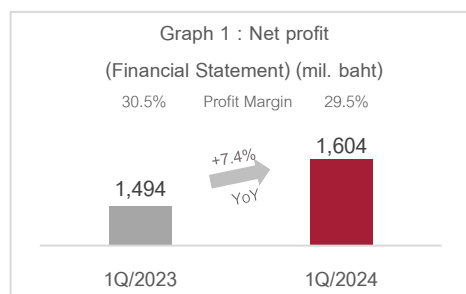
### **Retail and Commercial Industries**

For the retail business in 2024, the Thai Retailers Association predicts growth of approximately 3%-5%, driven by spending from foreign tourists and potential price increases for certain items such as food and personal goods. If the government's "Digital Wallet" project can be implemented according to plan in the fourth quarter, it could be another factor boosting sales for retail businesses towards the end of the year and into early 2025. Store-based retailing is expected to recover to pre-COVID-19 levels, while non-store retailing, particularly e-commerce, is anticipated to continue growing steadily, with the e-commerce market expected to surpass 700 billion baht in. Additionally, there has been a shift in the retail business landscape, with businesses now focusing on creating "lifestyle malls" to attract people to engage in activities and spend time with family daily, rather than solely for shopping purposes.

For the commercial business, there continues to be a rising trend in supply, especially with numerous large-scale mixed-use projects currently under development and construction. Additionally, many companies are opting to upgrade their office spaces from Grade B to Grade A, choosing to reduce office space slightly and move to better locations for improved working environments. Consequently, developers of commercial office buildings must prioritize factors such as environmental sustainability, energy efficiency, safety, digital accessibility, and connectivity to develop office buildings that meet various certification standards, such as LEED and WELL green building standards or WiredScore standards, reflecting excellence in digital connectivity infrastructure within the buildings. This is to create a competitive edge, attract new tenants, and provide the best possible experience for tenants.

## Overview of Asset World Corporation (“the Company” or “AWC”)<sup>1</sup>

The Company is stepping forward to increase operating assets in line with the GROWTH-LED Strategy and strengthening approach to develop into a Retail Destination for Retail Business. Additionally, the Company aims to provide a Co-Living Collective: Empower Future experience for Commercial Business. The company is also enhancing the capabilities of assets to reach a BAU stage through collaboration with global partners to achieve robust and sustainable cash flow growth. In 1Q/2024, the overall tourism industry in Thailand showed growth in High-to-Luxury tourists, who are the primary target customer group supporting the growth of all AWC hotel segments, especially the Luxury Resort, Bangkok City and Non-Bangkok City, reflecting a significant increase in Net Operating Profit of the Hospitality Business (HOTEL EBITDA) at 1,401 million baht, an increase of 83% from the same period in 2019, which was before the COVID-19 situation and 43% from the previous quarter. Due to the Company’s consistently outstanding operations and ability to generate RevPAR reaching a new high of 4,711 baht, as well as Average Daily Rate (ADR) growing a record high of 6,298 baht per night. Additionally, the booking pace reached a record high since 2019 at 753,841\* room nights. The Company achieved a new record high with net profit at 1,604 million baht, increasing by 18.1% compared to the previous quarter from total revenue of 5,440 million baht, increasing by 10.3% compared to the previous quarter and growing over the year 2019. Currently, the Company has operating assets which generated revenue comprising over 70% of the portfolio, Moreover, over the past period, the assets grew by 55% and the equity grew by 18% compared to 2019. The debt-to-equity ratio was 0.96 times, indicating that the company can create more value from the equity than the assets and has the capacity to utilize borrowing to manage the capital effectively.



The Company achieved growth of 7.4% YoY and 18.1 QoQ in 1Q/2024, with a net profit of 1,604 million baht. The occupancy rate in 1Q/2024 was 74.8%, up from 69.9% in the same period last year from all segments. The Average Daily Rate (ADR) was 6,298 baht per night, growing by 9.1% compared to the previous quarter. For the Retail Business, the Company has developed the properties to align with marketing strategies to serve as a Lifestyle Hub to attract more customers visiting

<sup>1</sup> The operating results for 2023 in this document are before restatement.

\* As of 17 April 2024

the retail properties. The Commercial Business remained steady, generating consistent cash flow. The Investment Properties also performed well, generating a gain of 1,155 million baht in 1Q/2024.

In 1Q/2024, the Company continuously enhanced the value of operating assets by opening leading global standard restaurants and cafes in Bangkok and Chiang Mai by launching 'Hong's Chinese Restaurant & Sky Bar,' the first truly upscale Chinese restaurant in Chiang Mai at InterContinental Chiang Mai The Mae Ping and 'Cafe de Petal,' a European-Inspired Cafe with a Thai twist, at Athenee Tower. Furthermore, the Company also unveiled 'Pikul' which offers convenience for customers to access hotel services, restaurants, and lifestyle services from AWC group and leading partners in the tourism industry. Additionally, the Company prepared to launch "Phenix", World's Food Wholesale Hub located in the strategic area of Pratunam in Bangkok. It is the first comprehensive food wholesale platform connecting both online and offline channels. The grand unveiling is scheduled for June 26, 2024.

The Company has implemented a GROWTH-LED strategy with a unique business model and high-quality portfolio to maximize long-term value, which comprises three stages as below:

(1) Near-Term Growth: The Company achieved growth by accelerating the transformation of assets from RAMP UP and REPOSITIONING them to BAU stage which has the EBITDA yield of assets not less than 8% per year. The new operating assets since 2019 include Banyan Tree Krabi, Melia Chiang Mai, Westin Siray Bay Resort & Spa Phuket (tentatively to operate under The Ritz Carlton Phuket), INNSiDE by Melia Bangkok Sukhumvit, InterContinental Chiang Mai The Mae Ping and Chiang Mai Marriott Hotel, Gateway Ekamai and lobby lounge such as 'Café Pittore' at 'The Empire' and 'Cafe de Petal' at Athenee Tower etc. Furthermore, near-term growth is expected to strengthen profitability from the operating assets.

(2) Medium-Term Growth: The Company leveraged its strengths to efficiently manage projects, aiming to expedite the transformation of development assets to operating assets. The projects for this growth are Pattaya Marriott Resort & Spa at Jomtien Beach, Fairmont Bangkok Sukhumvit, Kimpton Hua Hin, Lannatique, The Plaza Athénée Nobu Hotel and Spa Bangkok and OP Garden Project with AWC properties along the Chao Phraya River under the 'River Journey Project'.

(3) Long-Term Growth: The Company aims to achieve long-term growth through the investment plan under the GOR Agreement with TCC Group, while third party assets also provide growth opportunities to generate cash flow and strengthen the quality of our portfolio. Currently, there are several projects being developed such as Aquatique by the Beach, Asiatique 2.2, Weng Nakorn Kasem, The Plaza Athénée Nobu Hotel and Spa New York and Sukhumvit 38 Hotel Project.

Furthermore, to support long-term growth, the Company has implemented a strategy to drive the development of large-scale projects while reducing the burden of capital structure during the project development phase. This strategy includes generating revenue through additional investment and project management. The operating model for this strategy is as follows:

(1) AWC Growth Fund: Through the strategic partnership with the investor, the Company has been capable of investing in assets with high potential at predefined prices and has flexibility in investment timelines, while avoiding the burden of debt during the development phase and enhanced with high return. (2) Joint venture with global investors: The Company has collaborated with global investors and established a joint venture with plans to increase capital by 10,800 million baht in the future. The objective is to participate in investments and developments in the hotel business with high potential in Thailand. This will enable the Company to generate additional revenue in the form of asset management fees and incentive fees based on the project's performance and generate capital gains upon the future sale of assets.

The Company aims to foster growth by driving operating results through the following three strategies:

**(1) Growth Acceleration by Asset Conversion**

The Company has the capability to efficiently develop projects to accelerate asset growth with more than 90% of freehold assets in its portfolio, and as a result, we can continuously develop the assets without limitation of assets expiring to develop them robustly to increase the value of assets with competitive costs. The Company also benefits from a favorable portfolio size, resulting in lower development costs in terms of investment value per square meter and development costs per square meter. This proportion is lower when compared to similar markets in the surrounding area in previous periods. For developed projects, there will be a higher Average Daily

Rate (ADR), such as the InterContinental Chiang Mai The Mae Ping which has adjusted Average Daily Rate (ADR) by more than 3 times compared to the period before project development. Additionally, the return from operations tends to increase due to the influx of high-value customer groups and the diversity of customer segments.

## **(2) Growth Acceleration by EBITDA Enhancement**

The Company aims to generate cash flow by driving the ability to generate cash flow from assets in the initial period (RAMP UP) to reach a BAU stage, including adjusted strategies to align with market demands (REPOSITIONING) to enhance competitiveness. With global partnerships in hotel management, the Company can develop projects to meet the needs of customers from around the world such as collaborating with Marriott International to develop the Pattaya Marriott Resort and Spa at Jomtien Beach, and partnering with Meliá Hotels International to develop the Meliá Pattaya City Hotel etc. Currently, the Company has a global network of over 600 million members to attract a significant number of international tourists with strong purchasing power to visit our hotels. This was evident from the higher growth in RevPAR during the same period in 2019. The Company also enhanced its cost efficiency with a direct booking rate of 70% for 1Q/2024, up from 66% in 2019, resulting in the Company reducing costs by over 100 million baht per year. Comparing the Company's performance to its competitors in the same segment during 2023, the Company's RGI Index of Courtyard by Marriott Phuket Town was 194, Bangkok Marriott Hotel The Surawongse, Le Méridien Bangkok and Banyan Tree Krabi were 175, 146 and 137, respectively.

For the Retail and Commercial Business, the Company focuses on adjusting and developing both shopping centers and office buildings to align with marketing strategies. For example, Asiatique The Riverfront Destination, which successfully repositioned itself as Thailand's largest riverfront 'Retail-Tainment' hub to attract more Thai and foreign tourists. Similarly, The Pantip at Ngamwongwan project was revamped with the Treasure Hunt concept, presenting the largest amulet center in Thailand, along with the biggest food and lifestyle market. The launch of the CO-LIVING COLLECTIVE: EMPOWER FUTURE at 'The Empire' is considered the first project that has elevated the building to become a new lifestyle space, catering to future trends and with upgraded amenities to meet ESG standards.

**(3) Growth Acceleration by Cost Management**

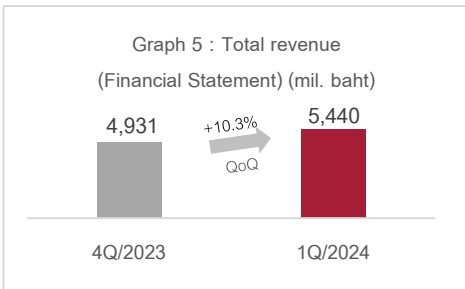
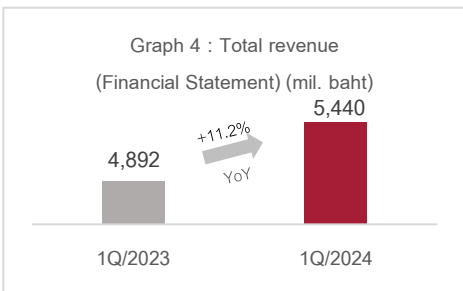
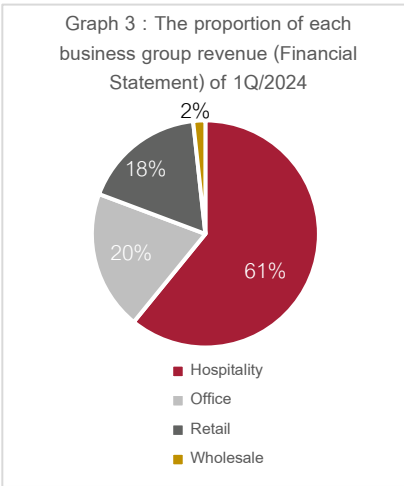
Even though the Company has various high-quality projects in its portfolio and is developing in the future, the Company still emphasizes efficient cost management and operational efficiency through economies of scale. It benefits from being part of the TCC Group, having a global network of partners, serving both local and international customers, and adopting best practices from leading global partners. This enables the Company to manage its revenues in each business segment and exceed the targeted EBITDA flow-through. For instance, The Westin Siray Bay Resort & Spa, Phuket had EBITDA flow-through at 89%, Le Méridien Bangkok had EBITDA flow-through at 83% and The Empire had EBITDA flow-through at 98% in 1Q/2024, comparing to 1Q/2023.

In addition, the Company placed a strong emphasis on operational efficiency by developing various work systems to make them more effective. This involves utilizing Data Insight Implementation, Process Transformation and Digitalized Operational Flows. These systems enable the Company to operate efficiently and utilize accurate data, thereby enhancing its competitive capabilities in the long term.

**SUMMARY OF OPERATING RESULTS**

**Total Revenue**

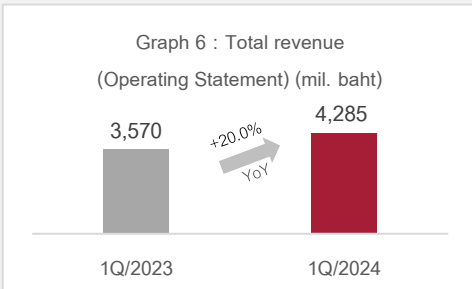
According to the Financial Statement, the Company's total revenue in 1Q/2024 was 5,440 million baht, increasing 11.2% YoY, and representing stronger growth than in 2019 before COVID-19, reflecting the implementation of the GROWTH-LED strategy to generate efficient cash flow. This was mainly from growth in the Hospitality Business in line with the significant increase in the number of Thai and foreign tourists staying at the Company's hotels, with the proportion of revenue in this group at 61%, with growth from all segments. For the Retail Business, there was growth owing to the repositioning of the Retail properties to align with marketing strategies, while more customers visited the properties compared to the same period last year. The Office Building Business continued its strong performance, driven by demand for fully furnished Grade A office space in response to the growing trend of hybrid work models. Additionally, the Company gained from the fair value of Investment Properties of 1,155 million baht in 1Q/2024.





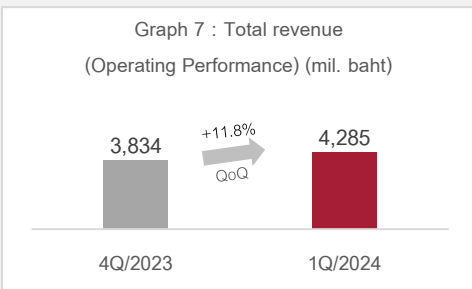
In comparison to the previous quarter (QoQ), total revenue reported in the Financial Statement increased by 10.3% QoQ, demonstrating the continuous growth from all business groups, primarily driven by the growth of the Hospitality Business in accordance with the high season.

Additional Information (Operating Performance)

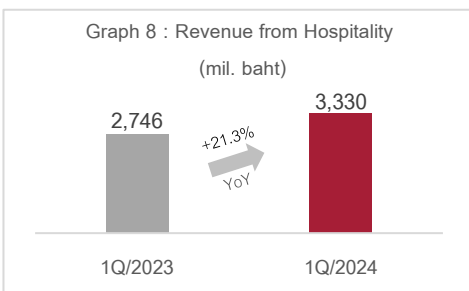


Total revenue from the Operating Performance in 1Q/2024 was 4,285 million baht, an increase of 20.0% YoY, with growth in all business units due to an increase in economic activities, resulting from an increase in hotel and retail property customers, both from domestic and international tourists.

Additional Information (Operating Performance)



Total revenue from the Operating Performance in 1Q/2024 increased by 11.8% QoQ, as a result of the growth of the Hospitality Business.



Revenue generated by each business group was as follows:

**Hospitality**

According to the Financial Statement, revenue from the Hospitality Business was 3,330 million baht in 1Q/2024, growing 21.3% YoY. The overall occupancy rate in 1Q/2024 was 74.8%, with remarkable growth in all segments compared to the previous year from all segments. The Average Daily Rate (ADR) was 6,298 baht per night, growing by 1.4% YoY. The RevPAR was 4,711 baht per night, indicating growth of 8.5% YoY. In 1Q/2024, total revenue from the Hospitality Business reported in the Financial Statement increased by 17.1% QoQ due to the higher number of customers visiting our hotels than the previous quarter.

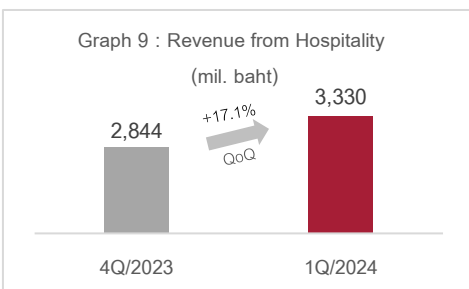


Table 1: Revenue of the Hospitality Business and related services\*

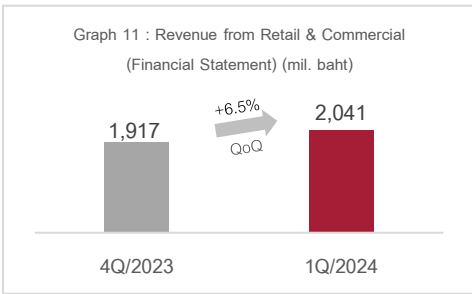
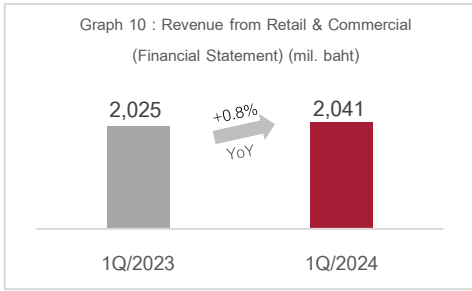
Categories	1Q/2024 (MB)	QoQ	YoY	Explanation
MICE <sup>1</sup> (47%;48%)**	1,581	6.8%	18.6%	The revenue for MICE grew 18.6% YoY in 1Q/2024, resulting from more customers staying at our hotels. Bangkok Marriott Hotel The Surawongse showed a stronger performance with RGI of 175, showing greater growth potential than the market.
Bangkok City (11%;14%)**	377	7.2%	33.0%	Revenue for Bangkok City in 1Q/2024 climbed by 33.0% YoY, resulting in a significant increase in the number of tourists from the previous year especially at Le Meridien Bangkok, which had an RGI of 146.
Luxury Resort (15%;13%)**	511	45.4%	24.9%	Revenue for Luxury Resort climbed by 24.9% YoY in 1Q/2024, with the highly popular Banyan Tree Krabi recording an RGI at 137.
Non-Bangkok City (27%;24%)**	904	31.3%	21.9%	Revenue for Non-Bangkok City in 1Q/2024 climbed by 21.9% YoY. Courtyard by Marriott Phuket Town, a popular hotel for tourists, had an RGI of 194.
<b>Total</b>	<b>3,373</b>	<b>17.5%</b>	<b>21.9%</b>	

<sup>1</sup> Including InterContinental Chiang Mai The Mae Ping and Chiang Mai Marriott Hotel

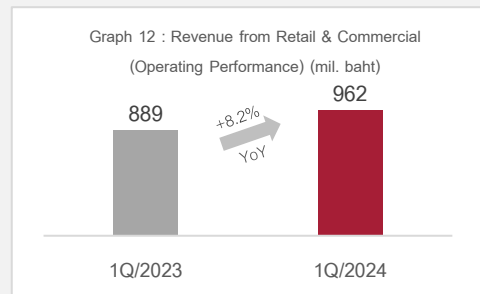
\* Each business unit is referred to only the operating assets of the Company. Revenue before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

\*\* Revenue proportion of operating assets of the Hospitality Business; asset value proportion of operating assets of the Hospitality Business.

**Retail & Commercial\*** According to the Financial Statement, revenue from the Retail and Commercial Business amounted to 2,041 million Baht in 1Q/2024, increasing by 0.8% YoY and when compared to the previous quarter, revenue from the commercial real estate business increased by 6.5% due to growth in visitors to the Retail properties.

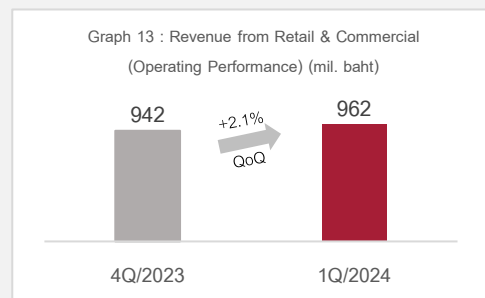


Additional Information (Operating Performance)



In 1Q/2024, revenue from the Operating Performance of the Retail and Commercial Business was 962 million baht, up 8.2% YoY, mainly driven by Retail Business growth in visitors to the Retail properties. In addition, the Company repositioned the Retail properties to align with marketing strategies.

Additional Information (Operating Performance)



In 1Q/2024, revenue from the Operating Performance of the Retail and Commercial Business was 962 million baht, up 2.1% QoQ.

\* Revenue before excluding related transaction between business groups.

Table 2: Revenue of the Retail and Commercial Business\*

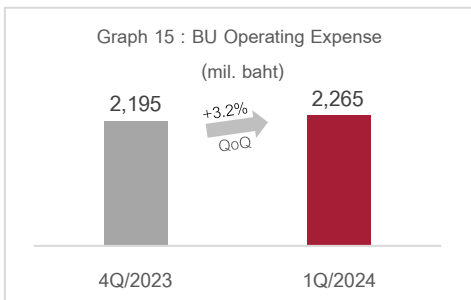
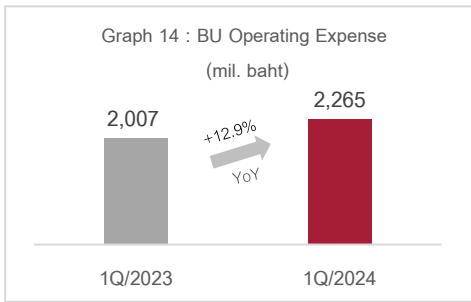
Categories	1Q/2024 (MB)	QoQ	YoY	Explanation
Community Shopping Malls (23%;26%)**	214	(0.2%)	8.7%	Revenue from Community Shopping Malls in 1Q/2024 increased by 8.7% YoY due to an increasing number of visitors to our Retail properties.
Tourist Lifestyle Destination (15%;12%)**	138	3.4%	50.0%	Revenue from the Tourist Lifestyle Destination in 1Q/2024 grew by 50.0% YoY because the repositioning of Asiatique the Riverfront Destination resulted in increased visitor numbers, both Thais and foreigners.
Community Market <sup>1</sup> (3%;1%)**	24	(2.8%)	11.0%	Revenue from the Community Market in 1Q/2024 increased by 11.0% YoY since the public returned to shopping centers as normal.
Commercial Building (60%;61%)**	561	2.8%	2.4%	Revenue from the Office Building Business in 1Q/2024 increased by 2.4% YoY.
<b>Total</b>	<b>936</b>	<b>2.1%</b>	<b>9.2%</b>	

<sup>1</sup> Excluded Tawanna Bangkapi and Tawanna Market

\* Each business unit is referred to only the operating assets of the Company. Revenue before elimination of related party transactions, is excluded management fees, interest income and gains on Investment Properties.

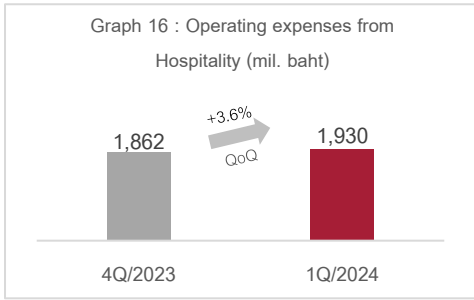
\*\* Revenue proportion of operating assets of the Retail and Commercial; asset value proportion of operating assets of the Retail and Commercial Group.

### Operating Expenses of Business Units (BU)\*



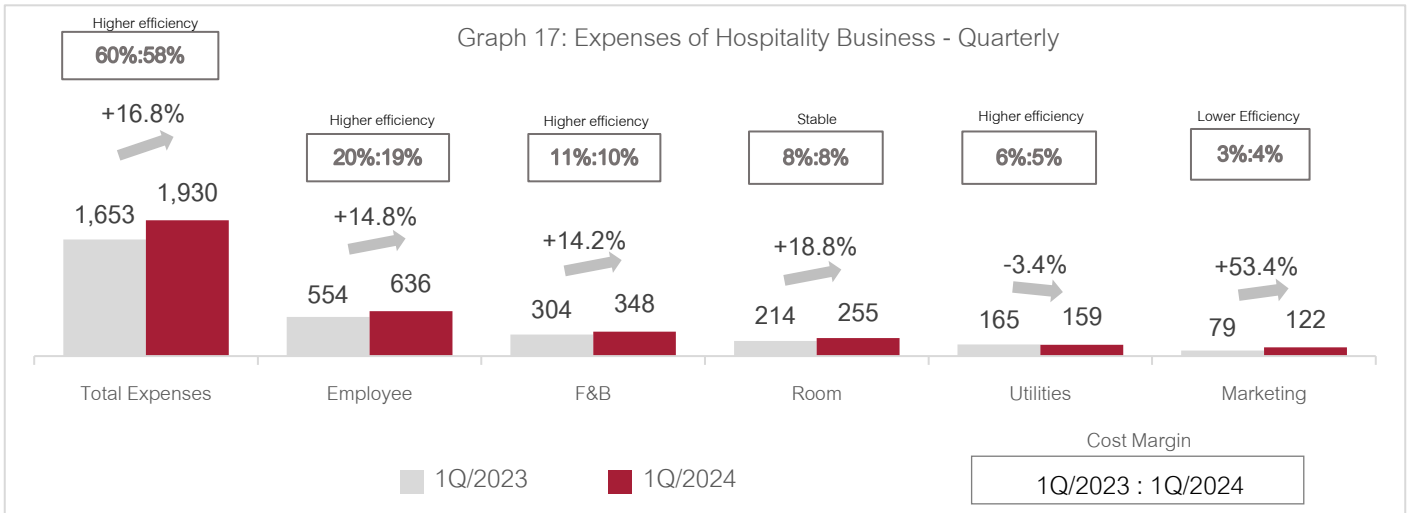
In 1Q/2024, the operating expenses of the Business Group (BU) totaled 2,265 million baht, up 12.9% YoY and 3.2% QoQ. This increase corresponds to the increase in the Company's revenue, especially for the Hospitality Business, along with the increasing number of operational assets, leading to an increase in business operations in common area as well. Furthermore, the flow through ratio improved in all business units compared to the same period last year. In 1Q/2024, the flow through ratio of the Hospitality Business was 60%; The Westin Siray Bay Resort & Spa, Phuket had EBITDA flow-through at 89%, Le Méridien Bangkok had EBITDA flow-through at 83%. The flow through ratio of the Retail Business and Commercial Business was 116%, due to effective cost management.

\* No elimination and exclude transactions between business groups.



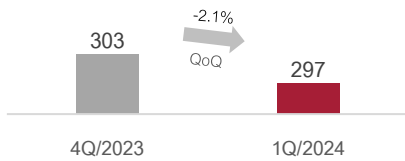
### Hospitality\*

The Company had operating expenses for the Hospitality Business in 1Q/2024 of 1,930 million baht, up 16.8% YoY and 3.6% QoQ, in line with the increase in the Hospitality Business's revenue.



\*\* The operating expense is before excluding related transactions between business groups.

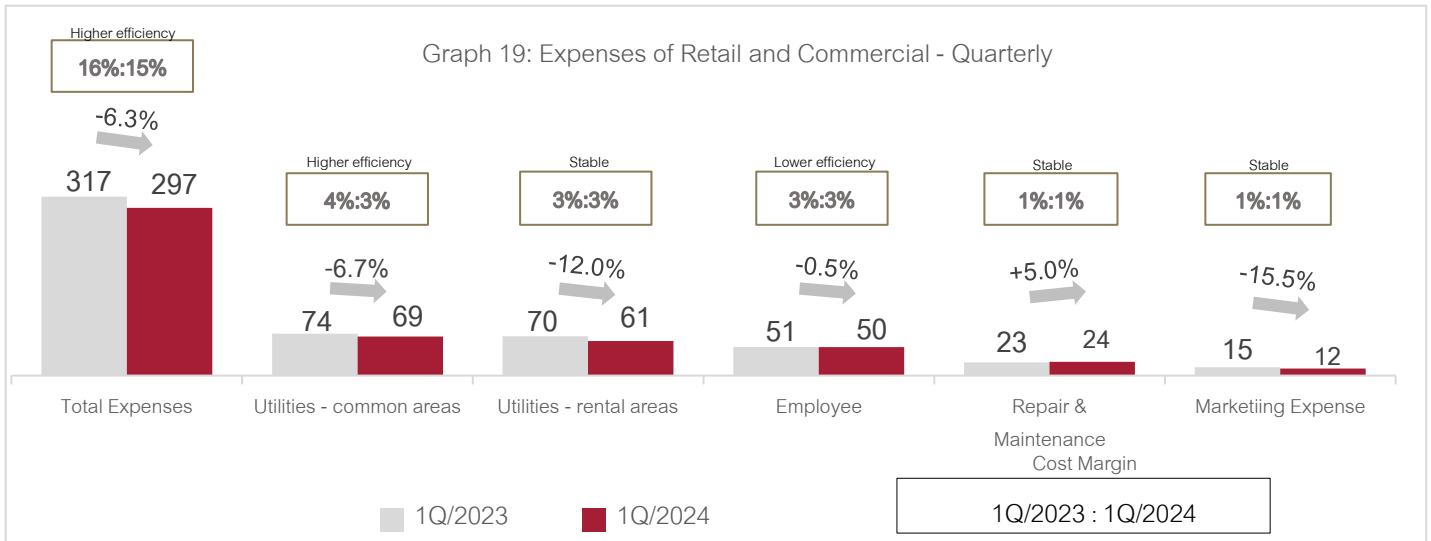
Graph 18 : Operating expenses from Retail & Commercial (mil. baht)



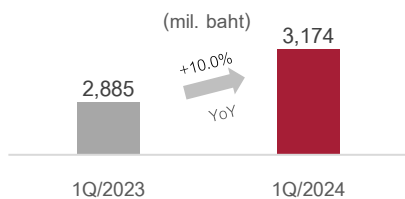
### Retail & Commercial\*

According to both the Financial Statement and Operating Performance, the operating expenses of the Retail and Commercial Business in 1Q/2024 totaled 297 million baht, decreasing 6.3% YoY. In comparison to the previous quarter, operating expenses decreased 2.1% due to higher efficiency cost management.

Graph 19: Expenses of Retail and Commercial - Quarterly



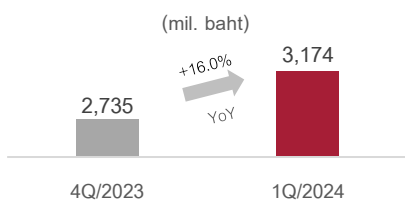
Graph 20 : Net Operating Profit (BU EBITDA) (Financial Statement)



### Net Operating Profit (BU EBITDA)\*\*

According to the 1Q/2024 Financial Statement, the Company had a Net Operating Profit (BU EBITDA) of 3,174 million baht, increasing 10.0% YoY and 16.0% QoQ. This was mainly driven by growth from the growth of Hospitality Business and increasing of fair value gains.

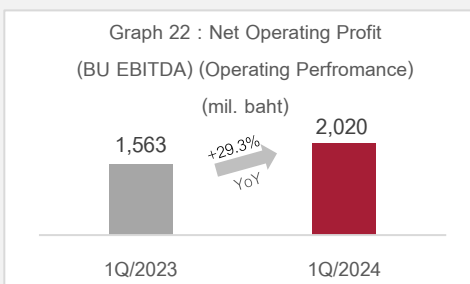
Graph 21 : Net Operating Profit (BU EBITDA) (Financial Statement)



\* The operating expenses of the business group is the operating expenses before excluding related transactions between business groups.

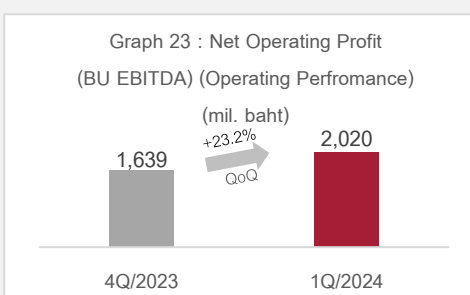
\*\* Net Operating Profit (BU EBITDA) is excluded related party transactions between business groups.

Additional Information (Operating Performance)

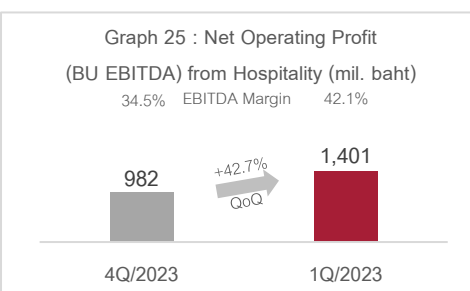
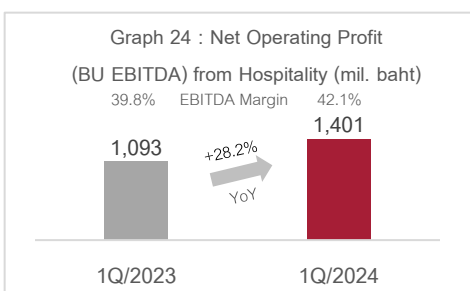


In 1Q/2024, the Net Operating Profit (BU EBITDA) from the Operating Performance was 2,020 million baht, up 29.3% YoY due to growth momentum across segments, particularly in the Hospitality Business.

Additional Information (Operating Performance)



In 1Q/2024, the Net Operating Profit (BU EBITDA) from the Operating Performance was 2,020 million baht, up 23.2% YoY due to growth momentum across segments, particularly in the Hospitality Business.



## Hospitality

The Net Operating Profit (EBITDA) in 1Q/2024, according to the Financial Statement, was 1,401 million baht, an increase of 28.2% YoY, due to an increase in the number of Thai and foreign tourists staying at our hotels, because of a rise in international travel compared to the previous year. Both Thai and foreign tourists have consistently boosted their utilization of accommodations, as well as food and beverage at our hotels. This reinforced the strengths of having high-quality assets and a global partners' network, enabling the Company to capture High-to-Luxury tourists. Moreover, the Company's effective cost controls resulted in an EBITDA margin at 42.1%, up from 39.8% of 1Q/2023. In comparison to the previous quarter (QoQ), the Net Operating Profit (EBITDA) rose 42.7%.



Table 3: Net Operating Profit (BU EBITDA) of the Hospitality Business\*

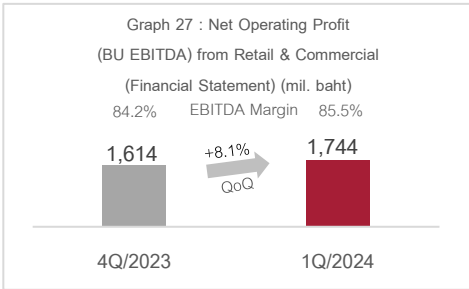
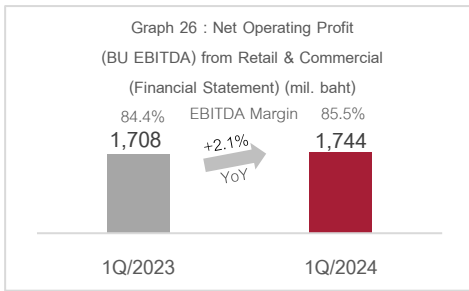
Categories	1Q/2024 (MB)	QoQ	YoY	Explanation
MICE <sup>1</sup>	577	20.1%	19.6%	The Group's net operating profit increased 19.6% QoQ, as a result of the surge in hotel reservations for events, together with higher occupancy rate.
Bangkok City	153	13.2%	52.6%	The Group's net operating profit increased by 52.6% YoY, resulting in a higher occupancy rate.
Luxury Resort	269	107.7%	37.8%	The Group's net operating profit increased by 37.8% YoY because of higher Average Daily Rate (ADR).
Non-Bangkok City	399	71.3%	31.7%	The Group's net operating profit increased 31.7% YoY because of higher Average Daily Rate (ADR).
<b>Total</b>	<b>1,397</b>	<b>43.0%</b>	<b>29.3%</b>	

<sup>1</sup> Including InterContinental Chiang Mai The Mae Ping and Chiang Mai Marriott Hotel

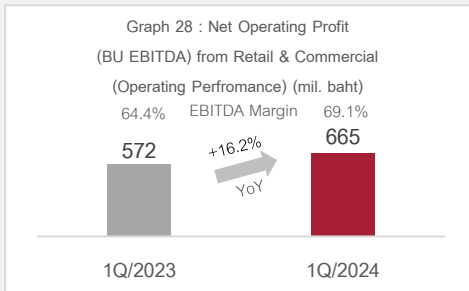
\* Each business unit is referred to only the operating assets of the Company. BU EBITDA before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

## Retail & Commercial\*

According to the 1Q/2024 Financial Statement, the Company's Net Operating Profit (BU EBITDA) was 1,744 million baht, increasing 2.1% YoY. Compared to the previous quarter, the Company's Net Operating Profit (BU EBITDA) increased by 4.2%, resulting in EBITDA margin rising to 85.5% from the previous quarter's 84.2%. This was due to more customers and tourists visiting our Retail properties.

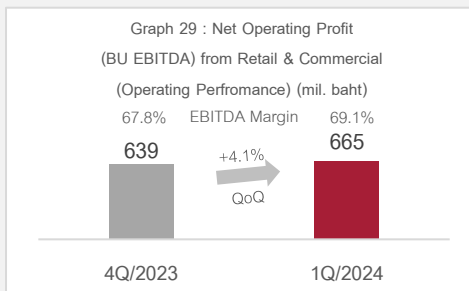


### Additional Information (Operating Performance)



The Net Operating Profit (BU EBITDA) of the Retail and Commercial Business from the Operating Performance in 1Q/2024 was 665 million baht, up 16.2% YoY. This was due to more customers visiting our Retail properties and the repositioning of the Retail properties to align with marketing strategies.

### Additional Information (Operating Performance)



The Net Operating Profit (BU EBITDA) of the Retail and Commercial Business from the Operating Performance in 1Q/2024 was 665 million baht, up 4.1% YoY. This was due to more customers visiting our Retail properties and the repositioning of the Retail properties to align with marketing strategies.

\* Net Operating Profit (BU EBITDA) is excluded related party transactions between business groups.

Table 4: Net Operating Profit (BU EBITDA) of the Retail & Commercial Business\*

Categories	1Q/2024 (MB)	QoQ	YoY	Explanation
Community Shopping Mall	118	6.6%	21.1%	The Net Operating Profit in 1Q/2024 increased by 21.1% YoY owing to more customers visiting our Retail properties.
Tourist Lifestyle Destination	99	12.5%	151.3%	The Net Operating Profit increased by 151.3% YoY due to increased visitor numbers, both Thais and foreigners.
Community Markets	14	(6.8%)	22.3%	The Net Operating Profit in 1Q/2024 increased 22.3% YoY due to more customers visiting our Retail properties.
Office	423	1.5%	3.1%	The net Operating Profit decreased slightly by 3.1% YoY. The Office Building Business maintained its stable and sustainable revenue.
Total	654	3.7%	17.1%	

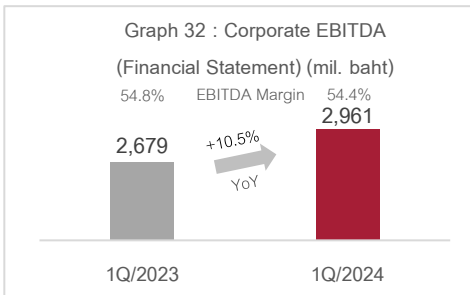
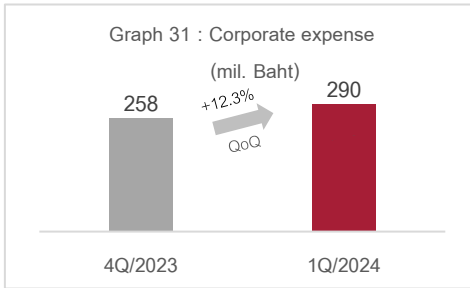
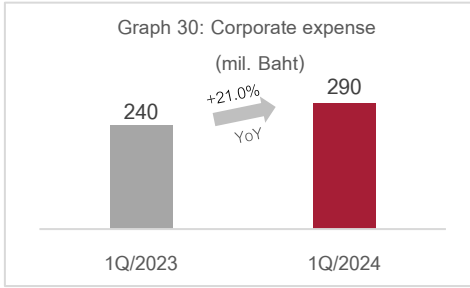
The Wholesale Business Group has conducted strategic planning. Therefore, in 1Q/2024, the business group had cash outflow of 18 million baht to prepare for the commencement of its operation.

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\* Each business unit is referred to only the operating assets of the Company. BU EBITDA before elimination of related party transactions is excluded management fees, interest income and fair value gains on Investment Properties.

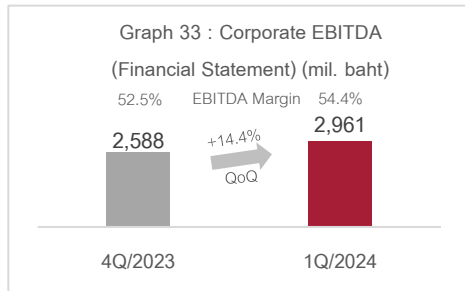
### Corporate Expenses

The Company incurred corporate expenses of 290 million baht in 1Q/2024, a 21.0% increase YoY and 12.3% QoQ. This was from the preparation for the Company's investment expansion in the future.

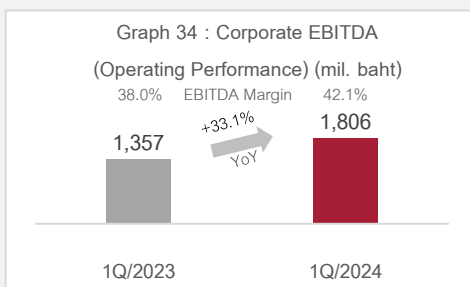


### Corporate EBITDA

According to the Financial Statement, the Corporate EBITDA in 1Q/2024 was 2,961 million baht, up 10.5% YoY mainly due to growth in the Hospitality Business and recognized fair value gains on Investment Properties. The Corporate EBITDA margin in 1Q/2024 was 54.4% and improved 14.4% QoQ.

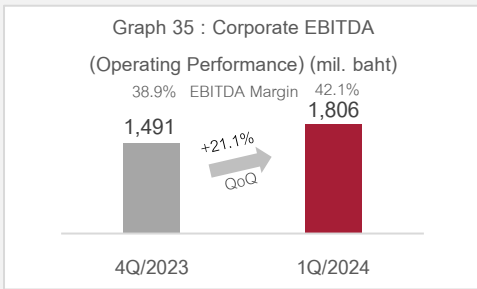


### Additional Information (Operating Performance)

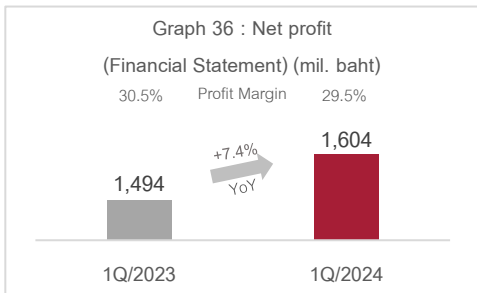


For 1Q/2024, the Corporate EBITDA, excluding fair value adjustments, increased by 33.1% to 1,806 million baht compared to the same period last year. This growth was predominantly driven by the Hospitality Business.

Additional Information (Operating Performance)

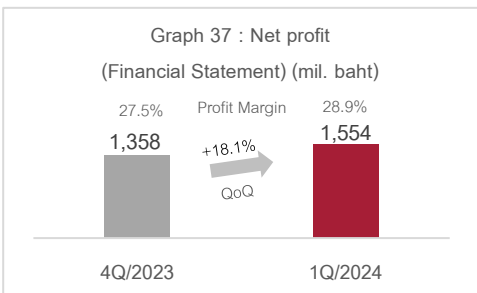


Compared to the previous quarter (QoQ), the Corporate EBITDA, excluding fair value adjustments increased by 21.1%. This was due to growth in the Hospitality Business.

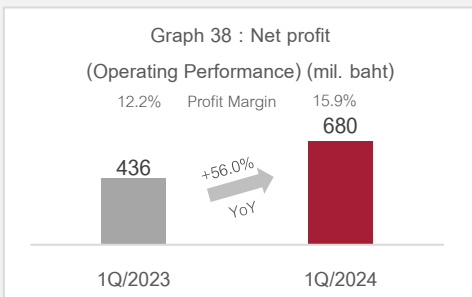


**Net Profit**

For 1Q/2024, the Company had a net profit, according to the Financial Statement, of 1,604 million baht, an increase of 7.4% YoY. The operational performance of the Hospitality Business was growing, the overall hotel occupancy rate in 1Q/2024 was 74.8%, with remarkable growth in all segments compared to the same quarter in the previous year. The Average Daily Rate (ADR) was 6,298 baht per night, an increase of 1.4% YoY. The RevPAR was 4,711 baht, indicating growth of 8.5% YoY and surpassing the pre-COVID-19 levels of 2019. For the Retail Business, the Company has developed the properties to align with marketing strategies to serve as a Lifestyle Hub to attract more visitors to the retail properties. The Commercial Business remained steady, generating consistent cash flow. The Investment Properties also performed well, generating a gain of 1,155 million baht in 1Q/2024.

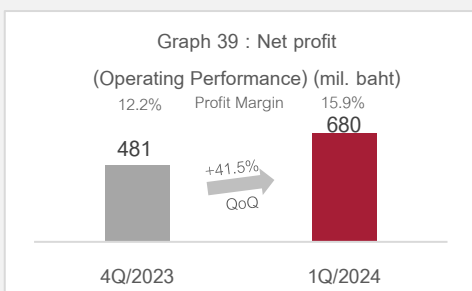


Additional Information (Operating Performance)



In 1Q/2024, the Company's net profit from the Operating Performance was 680 million baht, up 56.0% YoY. The Company had continuous growth in all business segments, which was shown in the profit margin of 15.9%.

Additional Information (Operating Performance)



For 1Q/2024, the Company's net profit from the Operating Performance increased 41.5% from revenue growth of Hospitality Business and managing expenses efficiently as well.

## Capital Structure, Liability and Return

### Total Assets

The Company had total assets as of 31 March 2024 valued at 174,802 million baht, of which the main assets were operating assets.

The fixed assets consisted of property, plant and equipment, investment properties and leasehold rights. As of 31 March 2024, the total value of fixed assets was 168,999 million baht, while the value of operating assets\* was 168,901 million baht. Other assets, excluding property, plant and equipment and investment properties, as of 31 March 2024 were valued at 5,803 million baht. These other assets included current assets, which may vary from time to time depending on the normal operation and the other non-current assets such as withholding tax and refundable VAT.

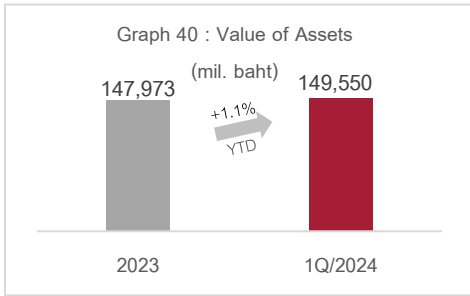
The asset value as of 31 March 2024 was 149,550 million baht, an increase of 1,577 million baht, or 1.1% year to date, and the value of fixed assets was the value before deducting accumulated depreciation and excluding assets' revaluation, totaling 109,526 million baht, increasing 540 million baht or 0.5% from the end of 2023. This was due to the growth from transforming developing assets into operating assets.

The return on investment was calculated by the return on Net Operating Profit (BU EBITDA) to fixed assets (Table 5), which increased due to the ability to generate cash flow from operating results and effective cost management. Operating profit, excluding fair value gain, was 6,087 million baht, an increase of 500 million baht or 8.8% from the end of 2023.

The return on the Net Operating Profit (BU EBITDA) to fixed assets, based on the Financial Statement, as of 31 March 2024 was at 7.2%, unchanged from 2023.

The return on the Net Operating Profit (BU EBITDA) to fixed assets from the Operating Performance, as of 31 March 2024 was at 4.1%, up from 3.8% in 2023.

The return on the Net Operating Profit (BU EBITDA), based on the Financial Statement of operating assets, comprised of assets in the BAU period (BAU), assets in the initial period (RAMP UP), and assets under repositioning (REPOSITION) to total fixed assets, as of 31 March 2024 was at 8.8%, up from 8.6% in 2023.



\* The fixed assets value excluding assets in the headquarter as of 1Q/2024 was to 98 million baht.

The return on the Net Operating Profit (BU EBITDA) from the Operating Performance, comprised of assets in the BAU period (BAU), assets in the initial period (RAMP UP), and assets under repositioning (REPOSITION) to total fixed assets, as of 31 March 2024 was 5.6%, up from 5.3% in 2023.

The Company's assets in the BAU period (BAU), which accounted for 14.2% of its total fixed assets, generated an 11.9% return on the Net Operating Profit as reported in the Financial Statement, as of 31 March 2024, down from 12.4% in 2023 due to the increased proportion of the Company's operating assets in the mature stage.

The Company's assets in the BAU period (BAU) generated a return from the Operating Performance to fixed assets, as of 31 March 2024, at 9.9%, up from 9.5% in 2023. The Retail and Commercial Businesses in the BAU period (BAU) created the high yields, demonstrating the Company's competitive advantage on having a balanced and diversified asset portfolio.

Table 5: Return on Net Operating Assets EBITDA of the Business Group according to the Financial Statement and Operating Performance to Fixed Assets (Past 12 months) as of 31 March 2024

The value of fixed assets is before deducting the accumulated depreciation and excludes the added value from land revaluation.

Assets	Net Operating Profit excluding valuation gain (Past 12 months)	Asset Value		Return on Net Operating Profit excluding valuation gain to fixed assets	Return on Net Operating Profit excluding valuation gain to fixed assets	Return on Net Operating Profit according to the Financial Statement to fixed assets	Return on Net Operating Profit according to the Financial Statement to fixed assets
		Amount (MB)	%	As of 31 March 2024 (Past 12 months)	2023	As of 31 March 2024 (Past 12 months)	2023
<b>Hospitality</b>							
Assets in the BAU period (BAU)	1,407	14,827	16.6%	9.5%	9.0%	9.5%	9.0%
Assets in the initial period (RAMP UP)	2,108	48,542	54.2%	4.3%	3.9%	4.3%	3.9%
Assets under repositioning (REPOSITION)	217	5,513	6.2%	3.9%	3.4%	3.9%	3.4%
Assets under development (DEVELOPING)	15	20,708	23.1%	0.1%	0.1%	0.1%	0.1%
<b>Total</b>	<b>3,747</b>	<b>89,591</b>	<b>100.0%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>4.2%</b>	<b>3.9%</b>
<b>Retail and Commercial</b>							
Assets in the BAU period (BAU)	685	6,360	10.6%	10.8%	10.8%	17.6%	20.4%
Assets in the initial period (RAMP UP)	1,753	34,284	57.2%	5.1%	5.0%	14.1%	14.0%
Assets under repositioning (REPOSITION)	-	-	-	-	(1.7%)	-	(7.8%)
Assets under development (DEVELOPING)	(97)	19,316	32.2%	(0.5%)	(0.5%)	5.9%	6.6%
<b>Total</b>	<b>2,341</b>	<b>59,959</b>	<b>100.0%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>11.8%</b>	<b>12.2%</b>
<b>Total of Fixed Assets</b>	<b>6,087</b>	<b>149,550</b>	<b>100.0%</b>	<b>4.1%</b>	<b>3.8%</b>	<b>7.2%</b>	<b>7.2%</b>
<b>Fixed Assets of the Company</b>							
Assets in the BAU period (BAU)	2,092	21,187	14.2%	9.9%	9.5%	11.9%	12.4%
Assets in the initial period (RAMP UP)	3,861	82,826	55.4%	4.7%	5.6%	8.4%	8.8%
Assets under repositioning (REPOSITION)	217	5,513	3.7%	3.9%	3.0%	3.9%	2.4%
Assets under development (DEVELOPING)	(83)	40,024	26.8%	(0.2%)	(0.2%)	2.9%	3.3%
<b>Total of Fixed Assets</b>	<b>6,087</b>	<b>149,550</b>	<b>100.0%</b>	<b>4.1%</b>	<b>3.8%</b>	<b>7.2%</b>	<b>7.2%</b>

Note: 1) The Net Operating Profit (EBITDA) of the business group is equated to the total income (excluded Related Party Transactions, Management fees, Interest Income, and other income) which all expense has been deducted (excluding the financial cost). Credit Note is adjusted as deemed appropriate with the applicable quarter. The above assets are referred to only the operating assets of the Company.

2) The value of fixed assets before deducting the accumulated depreciation and excluding assets revaluation as to display the return of investment

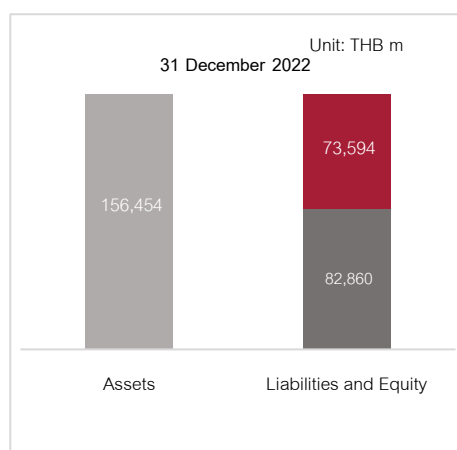


## Liabilities and Shareholder's Equity

As of 31 March 2024, the Company recorded total liabilities of 85,699 million baht, increasing by 783 million baht or 0.9% compared to the restated Financial Statement at the end of 2023 (Graph 41.2 and 41.3). The liabilities consisted of interest-bearing debt (IBD), amounting to 67,173 million baht, while other liabilities amounted to 18,526 million baht, mostly due to an increase in the loans from Financial Institutions to support new asset investment and project development, and financial leasing. As of 31 March 2024, shareholder's equity amounted to 89,103 million baht (Graph 41.3, mostly because of the recognition of positive operating results and unappropriated retained earnings.

### Graph 41: Financial Structure

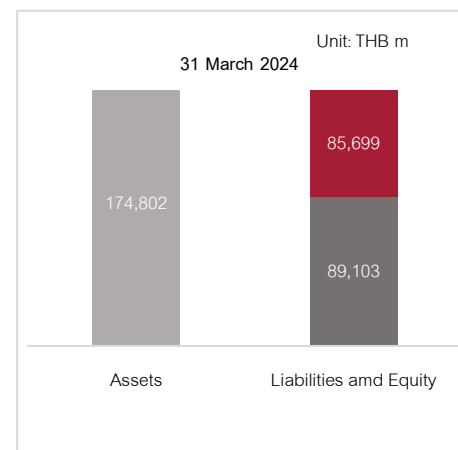
Graph 41.1 Financial Statement  
at end of 2022 (before restated)



Graph 41.2 Financial Statement  
at end of 2023



Graph 41.3 Financial Statement  
as of March 31, 2024



■ Assets ■ Liabilities ■ Equity

Table 6: Financial Ratio

Financial Ratio		Year		Quarter		
		2022	2023	1Q/2023	4Q/2023	1Q/2024
Financial Statement	EBITDA Margin	53.1%	51.3%	54.8%	52.5%	54.4%
	Net Profit Margin	27.4%	26.9%	30.5%	27.5%	29.5%
Operating Performance	EBITDA Margin	29.1%	34.0%	38.0%	38.9%	42.2%
	Net Profit Margin	0.5%	8.0%	12.2%	12.5%	15.9%

The EBITDA margin in the 1Q/2024 Financial Statement was 54.4%, marking a slight decrease from the previous year's margin of 54.8% due to decreasing of fair value gains. The net profit margin in the 1Q/2024 Financial Statement was 29.5%, decreasing compared to the previous year, which was at 30.5% as a result of decrease from fair value gains.

The EBITDA margin from the Operating Performance in 1Q/2024 stood at 42.2%, compared to 38.0% the previous year and showing growth compared to the previous quarter, resulting in a continuous increase in both Thai and foreign tourists staying and utilizing the hotel's food and beverage services for Hospitality Business and effective cost management in the Retail Business. In addition, the net profit margin from the Operating Performance was at 15.9% in 1Q/2024, growing from the previous quarter as well.

**Table 7: Debt to Equity Ratio**

Ratio	2022 (Restated 2Q/2023)	2023	1Q/2024
Debt to Equity Ratio	0.94 times	0.97 times	0.96 times

The Debt-to-Equity Ratio as of 31 March 2024 was at 0.96 times, an increase of 0.01 times from the end of 2023. This showed the capital structure remained robust, and the Company maintained the capacity to secure loans for investment expansion in alignment with its business plan and suitable investment opportunities.

## The Company's commitment to sustainable development

Driven by the Company's long-term vision of "Building a Better Future", AWC remains committed to creating social values and sustainable economic growth for all stakeholders, underpinned by "the Three Pillars" of the Sustainability Strategy: BETTER PLANET, BETTER PEOPLE, and BETTER PROSPERITY, covering nine important dimensions.

In 1Q/2024, AWC was listed in the S&P Global Sustainability Yearbook 2024, where it was recognized with the number 1 sustainability score in the world in Hotels, Resorts & Cruise Lines industry, reflecting the Company's ability to integrate and drive sustainable business throughout its value chain.

### BETTER PLANET

Under this pillar, the Company is determined to proactively make measurable progress on building a better planet as a step toward becoming a carbon-neutral company by 2030. We set ambitious annual goals and work plans to guide the implementation of activities and projects and regularly monitor/measure performances and outcomes.

Under AWC's Energy Efficiency Plan, the Company reduced the specific energy consumption (SEC) to 7.3% across all AWC properties in 1Q/2024 compared to the base year (2017 – 2019). Reducing energy consumption also saved THB 19 million from electricity bills. This reduced 5,065 megawatt-hours, equivalent to 2,532 TonCO<sub>2</sub>e in greenhouse gas emissions.

In addition, AWC and various properties in its business units participated with Bangkok Metropolitan Administration (BMA) and the World Wildlife Fund (WWF), in "60+ Earth Hour 2024" event on 23 March 2024 – the green culture promotion program, by jointly switching off lights that give an hour for the Earth. This Earth Hour action alone helped save 2,210 kilowatt-hours from energy consumption, reducing our greenhouse gas emissions by 1.12 TonCO<sub>2</sub>e, reflecting its continuous commitment and focus on environmental sustainability, setting an exemplary standard for the past 10 years in Thailand.

## BETTER PEOPLE

AWC, in collaboration with the Bangkok Metropolitan Administration (BMA) and more than 50 business partners, continued activities under "GIVE GREEN CBD 2023" project from Q4/2566. The proceeds from this initiative will be contributed to Asset World Foundation for Charity (AWFC)'s key 'Pun' initiatives: 'Pun Fun' for supporting education, 'Pun Dee' for the country's preservation of religion and culture, and 'Pun Sook' for supporting good health and community well-being. Our overarching aim is to drive long-term sustainability for all stakeholders and work towards 'Building a Better Future' together, comprising two activities in 1Q/2024:

1) "AWC Charity Market Around" at Asiatique the Riverfront Destination and Gateway Ekamai

2) "CBD We Run", the charity half marathon run in the city with honored by the presence of Mr. Chatchart Sitthiphan, the Governor of Bangkok, who presided over the release and participated in the half marathon with 3,000 runners in the "CBD We Run," commencing from 'The Empire,' a prominent lifestyle office building under AWC. For every Runner Pack provided, one tree will be planted in the park in Sathorn district through the BMA's 'BangkokTree: One Million Trees Project,' promoting well-being and 'Building a Better Future' for the people and communities in Bangkok.

Building social and community value, AWC actively engages with communities around its properties. In 1Q/2024, the Company collaborated with the Bangkoklaem District Office, Rotary Club of Samphanthawong, Pravit Pipatkulsawat, and other government and private sector partners to arrange Children's Day at Asiatique the Riverfront Destination, featuring activities and rewards for children and youth.

AWC also joined TCC Group in participation at the Chinese New Year activity in Yaowarat between February 10-11, 2024. At this festive public event, AWC invited five community shops to participated at the free space. These community shops earned a total of 90,800 baht from selling their products at the event.

During the strawberry season, the Company provided free space for Doi Kham to sell strawberries from a northern community, at The Empire Building during February 19-23, 2024 with total revenue to strawberry farmers of 190,270 baht.

Furthermore, to preserve local arts and culture in surrounding communities of Lhong 1919, AWC arranged a ceremony to pay homage to Goddess Mazu and celebrate with a Chinese opera performance featuring students from the Chiang Mai Road community and Watthongthammachat community. This event was open to the community for free viewing between 25-27 January 2024.

#### **BETTER PROSPERITY**

With its commitment to creating social value and sustainable economic growth, the Company has been recognized with awards that reflect its capacity as the future ready company with continued business growth and top corporate branding both at national and international levels. The Company was recognized as "Thailand's Top Corporate Brands 2023" with the highest corporate brand value in the real estate development category in the country for the year 2023, with a brand value of 58,571 million baht, from the ASEAN and Thailand's Top Corporate Brands 2023 event organized by the Brand Management and Marketing program, Faculty of Commerce and Accountancy, Chulalongkorn University, in collaboration with the Stock Exchange of Thailand.

#### **ACTIVITIES TO PROMOTE GOOD CORPORATE GOVERNANCE IN 1Q/2024**

The Company realizes that setting up the completed foundation of Corporate Governance framework in accordance with good corporate governance practices will help align all parties in doing their work towards the same goals, to the ultimate benefit of shareholder. The Board of Directors approved the Corporate Governance Policy, Code of Conduct, Charter of the Board of Directors, Charters of Sub-Committees including other operation policies covering all business operations of the Company. These policies and charters are regularly reviewed annually. The review process of policies, charters, and Code of Conduct commenced every October. Departments whose work relates to any policies and charters are responsible for scrutinizing and reviewing their own policies and charters to be up to date and in compliance with current rules and regulations to see whether to amend any part of the policies and charters. The proposed amendment will be presented to relevant sub-committees by January then presented to the Board of Directors for approval in February of every year.

This year, the Company reviewed 6 Charters, 22 Policies, the Scope of duties and authorities of CEO & President and the Code of Conduct, which the Board of Directors considered and deemed appropriated to amend the Charter of Corporate Governance and Sustainability Committee, Charter of Nomination and Remuneration Committee and Corporate Governance Policy. As for other charters, policies and Code of Conduct, it is considered that they are still appropriate and are in compliance with the best practices and principles of good corporate governance.

In this regard, the Company is confident that giving importance to lay down the policies and charters as a framework for practice would resulting in the concrete corporate governance foundation for the organization, creating value to the Company, and also be a part of Thailand's sustainable development. Therefore, this showed that the Company has continuously grown and delivered outstanding quarterly performance, particularly in terms of: 1) Net profit from Operating Performance, 2) BU EBITDA from Operating Performance, 3) the RevPAR of Hospitality Business, 4) Average Daily Rate (ADR), reflecting robust growth from the potential of quality assets and efficient management according to the GROWTH-LED Strategy. The Company has established new standards to drive the real estate industry in Thailand, leveraging its strengths in a Diversified Asset Portfolio and Development Capability to deliver impressive experiences to customers and service users across all AWC projects. Strengthening its ability to generate cash flow and provide long-term returns to shareholders, the company continues to operate within the framework of sustainable development, the '3BETTERs', to achieve organizational sustainability goals while contributing to Thailand's economy and supporting Thailand's sustainable tourism destination objectives, aligning with the mission of "Building a Better Future".