

## Singha Estate Public Company Limited Management Discussion and Analysis Q2/2024

### Executive Summary

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During the first half of 2024 (1H2024), Thailand's economic growth remained relatively constrained. The expansion was mainly driven by the tourism and services sectors, while the manufacturing sector and household consumption continued to struggle with recovery. Despite these conditions, the Company successfully executed its business plan for 1H2024. Total revenue from sales and services reached 7,798 million baht, reflecting a 14% increase from the same period last year. Prudent cost and expense management allowed the group to report an EBITDA of 1,733 million baht, marking a strong 17% growth that surpassed revenue growth. Additionally, the company achieved a net profit of 24 million baht for the first half of 2024, a notable recovery from a loss of 76 million baht in the prior year. These favorable results were achieved despite seasonal pressures and heightened losses from associated companies and joint ventures, primarily due to the commencement of commercial operations at the SO/ Maldives hotel in late 2023.

The revenue from sales of real estate amounted to 1,956 million baht, comprising of (1) Revenue from sale houses and condominium units amounted to 1,746 million baht, representing a 49% increase compared to the same period last year. This growth was primarily driven by the successful handover of newly launched projects such as S'RIN Ratchaphruek-Sai 1 and The EXTRO Phyathai Rangnam. Of the total sales, condominiums accounted for 59% while horizontal houses accounted for 41%. (2) Revenue from the industrial estate business amounted to 209 million baht, a nearly five-fold increase, driven by the transfer of land ownership in the S Industrial Estate Anghong, following the completion of land development and infrastructure at the end of 2023.

Meanwhile, rental and service income amounted to 5,820 million baht. This comprised of (1) Hotel business, which experienced an 8% growth from the previous year to reach 5,212 million baht, driven by robust tourism demand, effective pricing strategies, and the company's ongoing asset enhancement efforts reflected in an 18% increase in ADR. (2) Commercial real estate business income grew by 12% to 573 million baht, in line with the gradual handover of leased spaces to customers at S OASIS. However, (3) Other service income declined to 35 million baht, primarily due to a decrease in construction revenue for Santiburi The Residences as a result of customer order delays caused by macroeconomic factors.

For the second half of the year (2H2024), the Thai economy is projected to benefit from the tourism sector, foreign investment, and government expenditure. Additionally, potential stimulus from enhanced government economic measures could provide further support. Given these conditions, the company anticipates revenue growth across all business segments in 2024. Key drivers include the ongoing addition of residential projects, expansion of the hotel business, and the launch of products and services targeting the growing spending power of tourists, particularly following successful hotel renovations that have elevated room rates.

### Residential business

During the first six months of 2024, the company recognized a total of 1,746 million baht in revenue from the transfer of ownership of residential projects, representing a 49% increase compared to the previous year. Of the total revenue, 720 million baht was generated from the transfer of horizontal development projects. This includes (1) three units of the Siranin Residence Phattanakan 32 project, resulting in a cumulative transfer of 84% of the project's value. There are four remaining ready-to-sell units with a total estimated value of 450 million baht. Additionally, (2) 11 units of the S'RIN Ratchaphruek-Sai 1 project were transferred, representing a cumulative transfer of 26% of the project value. Following the project's launch in late 2023, there is one unit pending transfer and 66 ready-to-sell units with a total estimated value of 2,700 million baht.

For high-rise residential projects, the company recognized 1,026 million baht in revenue from the transfer of condominium units. This includes (1) The Esse Sukhumvit 36 project, with a cumulative transfer of 89% of the project value and 46 remaining ready-to-sell units worth approximately 650 million baht. Additionally, (2) The EXTRO Phyathai Rangnam project, which commenced transfers in March 2024 and has a cumulative transfer of 21% of the project's value. The backlog are 73 units pending transfer, representing an unrecognized revenue of 578 million baht.

As of June 30, 2024, the company had a backlog of 2,020 million baht. The company aims to recognize approximately 45% of this backlog as revenue from property transfers in 2H2024, primarily from the Santiburi The Residences and The EXTRO Phyathai Rangnam projects. The company expects sales and property transfers to recover in 2H2024, driven by improving economic conditions, government investment, and international travel.

The S'RIN Ratchaphruek-Sai 1 project has garnered a positive response and sustained customer interest. The Company anticipates continued strong sales and transfers in 2H2024, fueled by robust demand from premium luxury clients in western Bangkok. The Company aims to replicate this success with new projects slated for launch in late 2024, reinforcing the S'RIN brand and securing ongoing revenue.

Additionally, the company plans to launch four more new projects, with pre-sales scheduled for the fourth quarter of 2024, to capitalize on the positive demand in strong market segments and strategic locations. A detailed summary of these projects is as follows:

Project	Location	Project Value (MB)	No. of Unit	Segment
Condominium (JV)	Rama III	2,589	192	Luxury
SMYTH'S	Kaset-nawamin	1,149	10	Super Luxury
SMYTH'S	Raminthra	397	4	Super Luxury
S'RIN	New Prannok road	4,230	81	Premium Luxury

## Hospitality business

At present, all hospitality business of the Company was under the management of the Company's subsidiary – SHR, operating 36 properties 4,290 keys in the portfolio.

The global tourism industry is experiencing a sustained recovery, evidenced by a 19% YoY increase in international tourist arrivals in the first quarter of 2024, reaching over 285 million people. The Asia-Pacific region has shown the strongest rebound during this period, driven by the rise in flight routes and frequencies, as well as visa facilitation policies in various countries. Furthermore, the UN Tourism Confidence Index survey for April 2024 indicates continued growth in travel demand across all regions for the remainder of the year. The United Nations World Tourism Organization (UNWTO) forecasts approximately 1.5 billion international tourists worldwide for 2024, marking a 17% YoY increase and surpassing pre-pandemic levels by 2%.

However, risks such as economic slowdown, ongoing geopolitical conflicts, and potentially worsening climate conditions could impact performance in terms of both revenue and cost management during the latter half of 2024. To address these challenges, the Company considers implementing strategies to mitigate potential impacts, including expanding sales channels, adopting flexible proactive marketing strategies to achieve a balanced guest mix, and emphasizing efficient cost and expense management to meet its planned performance 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	36.7
Republic of Maldives	1.7	1.9	2.0
United Kingdom	40.9	37.8	38.7
Republic of Fiji	0.9	0.9	1.0
Republic of Mauritius	1.4	1.3	1.5

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

The Tourism Authority of Thailand (TAT) reports that in the first half of 2024, approximately 17.5 million international tourists visited Thailand, representing a significant 35% YoY increase. This represents a 93% recovery compared to the same period in 2019. The top three source markets are China, Malaysia, and India, respectively. Looking ahead into the second half of 2024, the tourism industry is expected to continue growing, benefiting from Thailand's competitive advantage in value for money compared to other destinations. Key drivers of this growth include (1) TAT's policy initiatives with a 1 billion baht budget aimed at promoting experiential tourism in both major and secondary cities, (2) The expansion of visa-free measures to 93 countries and an extension of the stay period in Thailand to 60 days, along with developing partnerships with airlines to increase routes and flight frequencies, to encourage long-term stays in Thailand, and

(3) Targeted promotions and roadshows in new high-spending markets in the United States and the Middle East. TAT aims to attract 36.7 million international tourists in 2024, generating a total tourism revenue of 3.5 trillion baht.

With these supporting factors, along with the successful expansion into new customer segments and a commitment to improving cost and expense management efficiency, the impact of the planned 2nd renovation of SAii Laguna Phuket Hotel during the off-peak season is expected to be mitigated. This should help maintain overall performance levels for 2024 at a level similar to the previous year, despite a 3% YoY decrease in room nights sold. The renovation, aimed at enhancing long-term competitive potential, began in mid-April and is expected to be completed with all rooms returned by mid-December 2024. This is anticipated to drive strong performance into the end of the year and into 2025.

#### The Republic of Maldives

In the first half of 2024, the Republic of Maldives' tourism industry continued to show robust growth, with over 1 million tourists visiting the Maldives, marking a 9% increase from the same period last year. This growth was mainly led by tourists from China, who made up approximately 12% of all visitors during this period, showing a 90% YoY increase and an 86% recovery compared to the same period in 2019. Additionally, key European markets such as Russia, the United Kingdom, Italy, and Germany reported an 11% YoY increase, consistent with the ongoing rise in flight routes and frequencies. For the entire year of 2024, the Maldives Association of Travel Agents and Tour Operators (MATATO) anticipates welcoming around 2 million international tourists.

The growth outlook for the tourism industry in the Republic of Maldives for the second half of 2024 is promising, supported by several key factors: (1) The expansion of flight routes and frequencies, alongside targeted tourism promotion roadshows in major Chinese cities, coupled with the Maldives Marketing and Public Relations Corporation (MMPRC)'s endorsement of WeChat Pay services, which aims to attract more Chinese tourists. Additionally, hotels within the CROSSROADS project commenced accepting payments via this system at the end of June. (2) The Maldives' achievement of the Indian Ocean's Leading Green Destination award from the World Travel Awards for the first time is expected to draw more tourists, particularly from Europe, who prioritize sustainable tourism. (3) The partial opening of the new terminal at Velana International Airport in November 2024 will enhance passenger capacity to 3.7 million annually, with a full opening scheduled for July 2025. These favorable developments, along with proactive marketing strategies and plans to develop beach clubs, spas, and restaurants within the CROSSROADS project, lead the company to anticipate steady growth in operational performance for 2024 and into early 2025.

#### United Kingdom

The recovery outlook for the UK tourism industry has shown signs of slowing towards the end of Q4/2023 and into the beginning of Q1/2024. Consequently, Visit Britain has revised its forecast for international visitors in 2024 to 38.7 million, reflecting a 2% YoY increase and a 95% recovery compared to 2019 levels. However, due to the effects of inflation and increased spending on tourism, the total spending forecast has been adjusted to 32.5 billion GBP, marking a 5% increase from the previous year and a 14% recovery above 2019 levels. This growth is primarily driven by the positive recovery

momentum in the long-haul travel market, which includes high-spending countries such as the United States, China, and Australia, known for their longer stays and higher expenditure on travel.

In the second half of 2024, the UK tourism industry is anticipated to show more definitive signs of recovery, consistent with regional growth trends. This expectation is bolstered by a 13% increase in flight bookings by international tourists in Northern Europe compared to the same period last year. Additionally, Forward Keys data reveals that London is one of the most sought-after destinations and the top travel location among global travelers planning to visit Europe in July and August 2024. Moreover, a July 2024 survey by Visit Britain indicates a rising domestic demand for travel in the UK over the next 12 months.

Given these supportive factors, along with ongoing initiatives to enhance asset quality, rebrand, and reposition hotels in key tourist hotspots and business centers, with aimed to attract higher-spending upper-market segments. Additionally, the continued asset rotation strategy is expected to improve portfolio profitability, thereby driving consistent growth in the performance of the UK hotel portfolio.

#### Republic of the Fiji

During the first half of 2024, Fiji welcomed 447,155 international visitors, representing a 7% increase from the same period last year. This growth highlights the increasing popularity of experiential tourism, which allows visitors an opportunity to engage with Fiji's natural beauty, indigenous identity, and local culture. Notably, almost 70% of these visitors originated from Australia and New Zealand. Additionally, Fiji Airways' efforts to strengthen its market presence and expand seat capacity for high-spending travelers from North America have resulted in a 9% YoY increase in arrivals from the United States and Canada.

In addition to plans to introduce direct flight routes from additional major North American cities in Q4/2024, Fiji's tourism industry is expected to continue its growth throughout the second half of the year. This growth is bolstered by the ongoing promotion of the tourism campaign "If You Can't Bin It, Bag It," which emphasizes sustainability for nature and local communities to attract more eco-tourists. Moreover, a marketing budget of 44 million USD, a 47% increase from the previous year, has been allocated to reach new tourist markets, including India, South Korea, and Europe. Fiji is anticipated to set a new record with 1 million international visitors by the end of 2024. With these factors in play and positive feedback on the new room types at Outrigger Fiji Beach Resort, the company expects robust performance growth for its hotels in Fiji throughout the year.

#### Republic of Mauritius

In the first half of 2024, the Republic of Mauritius welcomed 625,051 international visitors and generated tourism revenue of 38,877 million rupees during the first five months of the year. This reflects a 6% and 9% increase, compared to the same period last year, respectively. The top three source markets were France, the United Kingdom, and Germany, which together accounted for 44% of total visitors. For the entire year of 2024, Mauritius is expected to attract

approximately 1.5 million international tourists and aims to achieve a 16% increase in tourism revenue, reaching 100,000 million rupees.

The tourism industry in Mauritius is expected to maintain its growth into the second half of 2024. This outlook is supported by expanding flight routes and an increase in direct flights, particularly from India and the Middle East, which are key target markets. Additionally, a new partnership with Saudia Holidays aims to enhance Mauritius's appeal as a premier destination for Saudi Arabian tourists. Visa exemptions for visitors from other significant markets, including Russia, China, and Australia, have led to substantial increases in visitor numbers 1.3 times, 1.2 times, and 25% respectively, compared to the same period last year. These developments are expected to sustain the positive momentum from the first half of the year and further diversify the tourist market. Furthermore, the higher average occupancy rate at Outrigger Mauritius Beach Resort in Q2/2024, which exceeded levels from the same period in 2022, suggests a strong performance recovery in the second half of 2024.

### **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 84% in 1H2024. 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.

Overall demand for office space is expected to increase in 2024, presenting challenges for the industry. Nevertheless, the office market remains promising, particularly for Grade A buildings that integrate technology to enhance living and working conditions and emphasize Environmental, Social, and Governance (ESG) factors. This has driven a growing trend of tenants choosing Green offices that focus on sustainability, including energy efficiency, environmental protection, tenant health and well-being, and adherence to global standards such as LEED and WELL Building Standard.

## 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 rai.
  - For the first half of 2024, the Company has sold and transferred 56 rai of land. As of June 30, 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 approximately 20% of the total saleable area annually.

Additionally, the company will generate revenue from utilities supply and sales, as well as warehouse rental services. These revenues will be reported under sales of real estate and revenue from services.

- (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 (Anghong) 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

	Q2/2023		Q2/2024		% Y-o-Y	1H2023		1H2024		% Y-o-Y
	THB m	%	THB m	%		THB m	%	THB m	%	
Revenue from sales of real estate	926	26%	968	26%	5%	1,381	20%	1,956	25%	42%
<i>House and condominium units</i>	751	21%	968	26%	29%	1,171	17%	1,746	22%	49%
<i>Industrial Estate</i>	0	0%	0	0%	N/A	36	1%	209	3%	488%
<i>Rental fee from long term lease</i>	175	5%	0	0%	N/A	175	3%	0	0%	N/A
Revenue from rental and services	2,582	74%	2,783	74%	8%	5,461	80%	5,820	75%	7%
<i>Hospitality</i>	2,277	65%	2,469	66%	8%	4,821	70%	5,212	67%	8%
<i>Commercial</i>	260	7%	293	8%	12%	510	7%	573	7%	12%
<i>Others business</i>	45	1%	21	1%	-52%	130	2%	35	0%	-73%
Revenue from sales of goods	0	0%	12	0%	3605%	0	0%	22	0%	N/A
<b>Revenue</b>	<b>3,508</b>	<b>100%</b>	<b>3,764</b>	<b>100%</b>	<b>7%</b>	<b>6,843</b>	<b>100%</b>	<b>7,798</b>	<b>100%</b>	<b>14%</b>
Gross profit	979	28%	1,236	33%	26%	2,255	33%	2,810	36%	25%
Selling expense	-166	-5%	-197	-5%	19%	-335	-5%	-427	-5%	28%
Administrative expense	-636	-18%	-678	-18%	7%	-1,267	-19%	-1,460	-19%	15%
Operating profit	177	5%	361	10%	-104%	652	10%	922	12%	-41%
Other income	117	3%	82	2%	-30%	180	3%	159	2%	-12%
Share of loss from investment in joint	19	1%	-13	0%	-168%	47	1%	-57	-1%	-220%
Finance costs	-427	-12%	-471	-13%	10%	-898	-13%	-949	-12%	6%
EBT	-114	-3%	-41	-1%	64%	-18	0%	75	1%	516%
Income tax expense	-33	-1%	-39	-1%	-17%	-58	-1%	-51	-1%	-13%
Profit (loss) for the period	-147	-4%	-80	-2%	46%	-76	-1%	24	0%	131%
<b>EBITDA</b>	<b>625</b>	<b>18%</b>	<b>786</b>	<b>21%</b>	<b>26%</b>	<b>1,485</b>	<b>22%</b>	<b>1,733</b>	<b>22%</b>	<b>17%</b>
<b>Normalized EBITDA</b>	<b>626</b>	<b>18%</b>	<b>768</b>	<b>20%</b>	<b>23%</b>	<b>1,520</b>	<b>22%</b>	<b>1,722</b>	<b>22%</b>	<b>13%</b>
<b>Normalized Profit for the Period after NCI</b>	<b>-117</b>	<b>-3%</b>	<b>-65</b>	<b>-2%</b>	<b>45%</b>	<b>-4</b>	<b>0%</b>	<b>5</b>	<b>0%</b>	<b>220%</b>

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 30 June 2024, the Company and its subsidiaries has developed 9 residential projects for sales including horizontal houses and condominiums, valued at 27,117 million baht<sup>(1)</sup>. This includes 4 recent launched projects in 2023, which account for approximately 35% of the company's total project value.

In Q2/2024, the company reported revenue from sales of houses and condominium units totaling 968 million baht, a 29% increase from Q2/2023. For the first six-month of 2024, sales revenue reached 1,746 million baht, a 49% rise from the previous year. This growth was primarily due to revenue from the S'RIN Ratchaphruek-Sai 1 project and the start of ownership transfers for The EXTRO Phyathai Rangnam project.

Residential projects for sales as of 30 June 2024<sup>(1)</sup>:

Project	Project value (THB m)	Sold	Transfer
Existing Projects			
The ESSE Sukhumvit 36	5,920	89%	89% (of project value)
Santiburi The Residences	4,871	100%	74% (of project value) <sup>(2)</sup>
Siraninn Residences	2,876	84%	84% (of project value)
SENTRE	82	32%	32% (of project value)
The EXTRO	3,996	35%	21% (of project value)
New Projects Launched			
LA SOIE De S	1,035	53%	43% (of project value) <sup>(2)</sup>
S'RIN Ratchaphruek-Sai 1	3,720	27%	26% (of project value)
SHAWN Panya Indra <sup>(3)</sup>	1,802	2%	2% (of project value)
SHAWN Wongwaen – Chatuchot <sup>(3)</sup>	2,816	1%	1% (of project value)

Note: <sup>(1)</sup> Information presented in the table does not incorporate the value of projects currently under development.

<sup>(2)</sup> 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.

<sup>(3)</sup> The projects are officially launched in 2024.

### Revenue from sales of industrial area

Revenue from the industrial estate business consists of sales of real estate and sale of goods

In the first half of 2024, the company recorded 209 million baht in land sales from the S Anghthong Industrial Estate and 22 million baht in utility sales. This is in line with the full commencement of utility operations since the fourth quarter of 2023. In comparison, during the first half of 2023, the company reported 36 million baht in land sales from the S Industrial Estate Anghthong.

### Revenue from rental and services

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

## Hospitality Business

In the second quarter of 2024, the Company recognized revenue from its hotel business of 2,469 million baht, and for the first six months of 2024, a total of 5,212 million baht. The operating results for both periods grew by 8% compared to the same period of the previous year.

This growth was fueled by the introduction of new room types following renovations at two hotels in Thailand and one in Fiji, which received positive guest feedback. Consequently, in the first half of 2024, Outrigger hotels and the self-managed hotels in Thailand saw revenue increases of 40% and 8%, respectively. Additionally, the two hotels in the CROSSROADS project experienced an 11% revenue boost, driven by the tourism industry and a marketing strategy to create a balanced portfolio of resilient customers. However, revenue from hotels in the United Kingdom declined by 5%, mainly due to the expiration of a long-term government lease agreement in late 2023. Despite this, the Company anticipates improved revenue recovery in the second half of the year.

### Operating performance of Hospitality business <sup>(1)</sup>

Hotels	Q2/2023	Q2/2024	1H2023	1H2024
<b>Self-Managed Hotels <sup>(2)</sup></b>				
Number of hotels	4 <sup>(2)</sup>	4 <sup>(2)</sup>	4 <sup>(2)</sup>	4 <sup>(2)</sup>
Number of keys	604	604	604	604
% Occupancy	64%	57%	76%	73%
ADR (THB)	6,528	7,017	8,431	9,570
RevPAR (THB)	4,184	3,963	6,385	6,938
<b>Outrigger Hotels</b>				
Number of hotels	3	3	3	3
Number of keys	499	499	499	499
% Occupancy	70%	72%	61%	63%
ADR (THB)	9,049	9,877	7,823	9,326
RevPAR (THB)	6,299	7,148	4,769	5,902
<b>Project CROSSROADS Hotels <sup>(3)</sup></b>				
Number of hotels	2	2	2	2
Number of keys	376	376	376	376
% Occupancy	55%	61%	71%	75%
ADR (THB)	13,145	13,338	13,663	15,028
RevPAR (THB)	7,258	8,102	9,736	11,248
<b>UK Portfolio Hotels <sup>(4)</sup></b>				
Number of hotels	24	22	24	22
Number of keys	2,704	2,442	2,704	2,442
% Occupancy	73%	70%	70%	64%
ADR (THB)	3,914	4,352	3,558	3,942
RevPAR (THB)	2,892	3,064	2,483	2,538

Remark: (1) The exchange rate used to calculate ADR can be found in the Management's Discussion and Analysis (MD&A) of S Hotels and Resorts (SHR)

(2) As Konotta Maldives is still under temporarily closed, the Company excluded the hotel from the calculation of the key indicators

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

(4) 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 Q4/2023.

### Commercial Business

As of 30 June 2024, the Company owned 5 commercial buildings providing net leasable area 194,146 sq. m. in total. In the second quarter of 2024, the company reported rental income of 293 million baht from its commercial real estate operations. For the first half of 2024, total rental income reached 573 million baht. The performance in both periods reflected a 12% increase from the same period in 2023. This growth was attributed to the higher occupancy rate at the S OASIS building.

#### Operating performance of Commercial business

Building	Q2/2023	Q2/2024	1H2023	1H2024
<u>Suntower</u>				
Space for rent (sq.m.)	63,673	63,673	63,673	63,673
Occupancy rate (%)	84%	76%	83%	77%
<u>Singha Complex</u>				
Space for rent (sq.m.)	58,927	58,927	58,927	58,927
Occupancy rate (%)	83%	88%	82%	88%
<u>S Metro</u>				
Space for rent (sq.m.)	13,677	13,677	13,677	13,677
Occupancy rate (%)	93%	99%	93%	99%
The Commercial Building Launched in Late 2022				
<u>S OASIS</u>				
Space for rent (sq.m.)	53,498	53,498	53,498	53,498
Occupancy rate (%)	12%	26%	12%	26%

### Other businesses

Other income comprises revenue from residential construction and property management services, including residential projects and industrial estates.

In Q2/2024, the company and its subsidiaries recorded 21 million baht in other income, a decline from 45 million baht in the same period last year. For 1H2024, other income was 35 million baht, drop from 130 million baht in the prior-year period. The reduction in revenue was mainly due to decreased construction income from the Santiburi The Residences project.

## Gross Profit

In Q2/2024, the company's gross profit reached 1,236 million baht, a 26% increase from 979 million baht in the same quarter last year. The gross profit margin improved to 33% from 28%. For 1H2024, gross profit totaled 2,810 million baht, up 25% from 2,255 million baht in the prior-year period, with the gross profit margin rising to 36% from 33%. The enhanced performance in both periods was mainly driven by (1) successful implementation of higher ADR through room upgrades, particularly in Fiji, (2) reduced revenue from the temporary closure of Outrigger Mauritius Beach Resort during 2023, and (3) increased gross profit margin from residential projects in 2024.

## Selling and Administrative Expenses

The company reported selling and administrative expenses of 875 million baht in Q2/2024, up from 802 million baht in the same period last year. The selling and administrative expense ratio remained steady at 23% of total sales. For 1H2024, selling and administrative expenses rose to 1,888 million baht from 1,602 million baht in the prior-year period, resulting in a slightly higher ratio of 24%, compared to 23% the previous year. This increase aligns with the business enhancement and expansion into new markets.

The rise in selling expenses was primarily driven by higher advertising and marketing efforts during the expansion phase of the residential business portfolio, as well as increased transfer fees and specific business taxes due to enhancement of property transfers. Administrative expenses grew mainly due to higher staff expenses incurred to support business growth and competitiveness, 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

The Company reported finance costs of 471 million baht in the second quarter of 2024, an increase from 427 million baht in the same quarter of the previous year. For the first half of 2024, finance costs amounted to 949 million baht, up from 898 million baht in the prior-year period. The increase was primarily due to the rise in global interest rates during the period.

## Profit (loss) attributable to Equity holders of the Company

The Company announced a net profit (loss) attributable to the Owners of the parent in an amount of (52) million baht in Q2/2024, a significant improvement from (102) million baht in the same period of 2023. For 1H2024, the company reported a net profit attributable to the owners of the parent company of 10 million baht, a turnaround from a net loss of (77) million baht in the prior-year period.

The profit enhancement was primarily attributed to improved performance across all business sectors within the portfolio, particularly with higher property transfers in the residential and industrial estate businesses, as well as continued expansion in the hospitality and commercial businesses. However, overall performance was pressured by higher depreciation and amortization expenses due to the elevated valuation of uplifted assets and increased share of losses from joint ventures, as the SO/ Maldives hotel was in its early stages of commercial operations.

## Financial Position and Capital Structure

Unit: THB million	31 December 2023	30 June 2024	Change
Cash and cash equivalent	3,034	2,621	-413
Inventories	1,322	1,327	5
<b>Current assets</b>	<b>16,451</b>	<b>15,595</b>	<b>-856</b>
Investment property	19,935	19,970	34
PPE – net	31,579	33,104	1,524
<b>Non-current assets</b>	<b>58,147</b>	<b>59,590</b>	<b>1,443</b>
<b>Total Assets</b>	<b>74,598</b>	<b>75,185</b>	<b>587</b>
Current liabilities	10,611	13,152	2,541
Non-current liabilities	41,279	38,360	-2,919
<b>Total liabilities</b>	<b>51,890</b>	<b>51,512</b>	<b>-378</b>
<b>Total equity</b>	<b>22,708</b>	<b>23,673</b>	<b>965</b>
Interest-bearing debt excluding lease liability	34,458	34,148	-309
Gearing ratio (times)	1.52x	1.44x	
Net gearing ratio (times)	1.38x	1.33x	

As of June 30, 2024, the Company's total assets amounted to 75,185 million baht, representing a 1% increase from December 31, 2023. This comprised (1) Current assets of 15,595 million baht, a decrease of 856 million baht primarily due to a decrease in Cash and cash equivalents, aligning with the loan repayment and a decrease in Assets held for sale, following the sale of the Mercure Wetherby hotel in the United Kingdom for £5.7 million, and (2) Non-current assets of 59,590 million baht, an increase of 1,443 million baht, mainly due to an increase in Property, plant and equipment of the hospitality business, mainly due to the impact of foreign currency translation adjustments.

Total liabilities as of June 30, 2024, amounted to 51,512 million baht, a decrease of 1% from December 31, 2023, primarily due to scheduled principal repayments. This resulted in a decrease in interest-bearing debt to 34,148 million baht.

The shareholders' equity amounted to 23,673 million baht, an increase from 22,708 million baht at the end of 2023, due to profits generated in the first half of 2024 and currency translation adjustments. Consequently, the net interest-bearing debt to equity ratio decreased to 1.33 times, which is below the company's target financial leverage threshold.

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