

Executive Summary

- The Group returned to profitability in 1H24 with net income of THB 11.7 mn on the back of higher profits from both recurrent operations and its planned divestment of completed hospitality and lifestyle projects.
- During the past quarter, the Company divested 50% of its stake in Boutique Charoenkrung Holdings Co., Ltd. (BCRKH), which indirectly invests in the Cove Hill Lifestyle Retail Mall Project, for approximately THB 100 mn. Following the completion of the transaction, BCRKH has transitioned from a subsidiary to a joint venture company. The Group recorded a gain of THB 69.2 mn on the sale of this investment in the consolidated financial statement and THB 60.7 mn in the standalone financial statement for 2Q24.
- Revenues from hotel operations and commercial properties in 2Q24 were THB 89.9 mn, an increase of 25.6% from 2Q23. This remarkable achievement was driven by the recovering tourism industry and our highly focused asset management team. However, the revenue decreased from 1Q24 due to 2Q24 being low season.
- Our commercial project, Summer Point, reached 93% occupancy during 2Q24, an outstanding improvement from the 87% occupancy from 2Q23, driven mainly by our strong property management team. Given this higher level of occupancy, we are exploring the option of tokenizing this project.
- Our cost reduction program has also shown significant results in 2Q24 with operating expenses reduced to THB 94.1 mn, a decrease of 7.9% QoQ and 5.6% YoY. This reduction is mainly due to the implementation of clustering strategies among our hotels to leverage synergies and share resources. For 6M24, total operating expenses decreased by 5.3% YoY. For standalone 2Q24, total operating expenses decreased by 24.7% YoY to THB 35.3 mn, primarily due to the clustering strategies and tighter cost controls.
- For the consolidated financial results, the Group's **EBITDA** for 2Q24 demonstrated a significant improvement with a positive core EBITDA of THB 71.6 mn compared to a loss of THB 20.7 mn in 2Q23. The positive QoQ EBITDA improvement was achieved mainly by divestment of the 50% stake in BCRKH, and the implementation of clustering strategies among our hotels to leverage synergies and share resources.
- Meanwhile, the Group posted a core profit of THB 13.9 mn, an improved QoQ result, mainly due to the EBITDA gains whereas our standalone FS posted a core profit of THB 50.7 mn.
- The net debt-to-equity (D/E) ratio dropped to 3.67x in 2Q24 from 11.11x in 2Q23, calculated based on total liabilities, even though BC generally holds an economic interest of between 26-51% in the projects.
- The tourism sector in Thailand continues to show a significant recovery with the number of tourist arrivals approaching pre-pandemic levels. However, the pace of this recovery has been slower than anticipated with high inflation and high interest rates globally impacting the tourism industry. These two factors present challenges, particularly in divesting our assets which is a key element of our business model. Nevertheless, BC was still able to achieve a partial exit selling down part of its investment in one project during the past quarter.
- Our Thai herbs-wellness venture, Bespoke Group, has shown a 38.8% YoY improvement in its share of loss from associates. This enhancement is attributable to implementation of cost-cutting measures. In 1Q24, we have opened one new branch in the Chiangmai Night Bazaar and in 2Q24, we fully closed non-performing branches to improve overall performance. The group also received certification for Good Agricultural and Collection Practices (GACP) and an export license for our Thai-herbs farming.
- Our Go Storage business, a self-storage segment, has faced a drop in its total occupancy rate to 69% during 2Q24 with its wine storage segment not achieving the results that we had expected.

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Standalone Financial Performance

Standalone P&L

Unit: THB million	2Q24	1Q24	2Q23	%QoQ	6m24	6m23	%YoY
Revenue	95.2	47.8	32.1	99.2%	143.0	260.0	-45.0%
Management income	34.5	35.0	32.1	-1.5%	69.5	60.0	15.7%
Gain on sales of investment in subsidiaries	60.7	12.8	-	374.4%	73.5	-	n.m.
Dividend Income	-	-	-	n.m.	-	200.0	-100.0%
Cost of providing services	27.7	27.8	38.7	-0.4%	55.6	67.8	-18.1%
Selling and administrative expenses	7.6	5.5	8.2	38.6%	13.1	15.4	-14.7%
Total Operating Expenses	35.3	33.3	46.9	6.0%	68.7	83.2	-17.5%
EBITDA	59.9	14.4	(14.9)	314.3%	74.3	176.8	-58.0%
Depreciation & amortization	1.3	1.3	1.5	2.8%	2.6	2.9	-11.6%
Profit (loss) from operating activities	58.6	13.2	(16.3)	344.4%	71.7	173.9	-58.7%
Financial income (expenses) - net ^{1/}	(7.2)	(4.7)	3.1	54.4%	(11.9)	7.0	-270.7%
Income (loss) from continuing operations	51.3	8.5	(13.2)	504.7%	59.8	180.9	-66.9%
Tax expense (income)	0.6	2.5	0.6	-76.8%	3.0	0.8	293.8%
Net Income excluding Extraordinary Items	50.7	6.0	(13.8)	741.9%	56.8	180.1	-68.5%
Non-Recurring/ Extraordinary Items	2.2	(4.8)	(1.3)	144.8%	(2.6)	4.5	-158.9%
Impairment losses ^{2/}	(0.4)	(5.2)	(1.8)	93.0%	(5.6)	1.7	-427.2%
Exchange gain / (loss) on foreign currency loan ^{3/}	(1.1)	(6.7)	(4.5)	83.1%	(7.9)	(2.9)	-172.8%
Other (expenses) income ^{3/}	3.7	7.2	5.0	-49.0%	10.8	5.7	90.8%
Net Income (loss) for the Period	52.9	1.2	(15.1)	4204.2%	54.1	184.6	-70.7%

Remark: 1/ The Company has presented Interest Income as a net amount of Interest Expenses in "Financial Cost - Net" in the MD&A instead of being part of Total Revenue.

2/ In 2Q24, The Company booked a one-time net loss of THB 0.4 mn from impairment losses.

3/ In 2Q24, The Company booked Exchange loss on foreign currency loan of THB 1.1 mn. The Company has hedged the foreign currency exposure and relevant gain is booked in Other (expenses) Income.

- BC's **Management Income** for 2Q24 increased by 7.5% YoY, primarily driven by an annual increase in management fees for the year. Additionally, there were increased management fees from one of our projects which resumed construction this year. For 6M24, BC's Management Income increased by 15.7%.
- BC reported a **Gain on sales of investment in subsidiaries** for 2Q24 amounting to THB 60.7 mn from the divestment of a 50% stake in BCRKH which indirectly invests in the Cove Hill Lifestyle Retail Mall Project for approximately THB 100 mn. Following the completion of the transaction, BCRKH has transitioned from a subsidiary to a joint venture company.
- In 2Q24, **Total Operating Expenses** decreased by 24.7% YoY to THB 35.3 mn, mainly due to the implementation of clustering strategies among our hotels to leverage synergies, share resources along with tighter cost-controls.
- BC's **EBITDA** stood at positive THB 59.9 mn in 2Q24 compared to negative THB 14.9 mn in 2Q23, mainly due to cost control measures and the gain on sale of investment in subsidiaries. For 6M24, EBITDA was THB 74.3 mn, a decrease compared to the THB 176.8 mn in 6M23, primarily due to a lower gain on sale of investment compared to the exit of an asset in 1Q23.
- BC reported a **Core Profit** (Net Income excluding extraordinary items) of THB 50.7 mn in 2Q24 compared to a THB 13.8 mn loss in 2Q23 and a THB 6.0 mn profit in 1Q24. For 6M24, BC's Net Income excluding extraordinary items was a profit of THB 56.8 mn vs THB 180.1 mn in 6M23.
- BC's **Net Profit** for the period was THB 52.9 mn in 2Q24 with non-recurring items, including the one-time impairment loss of THB 0.4 mn and a THB 1.1 mn foreign exchange loss on a third-party USD loan as the THB/USD slightly depreciated during the quarter. However, this FX loss would be offset by the gain on a forward contract that we made against the principal of the loan booked under Other (Expenses) Income. For 6M24, BC's Net Income was THB 54.1 mn vs THB 184.6 mn in 6M23.

Consolidated Financial Performance

Consolidated P&L

Unit: THB million	2Q24	1Q24	2Q23	%QoQ	%YoY	6m24	6m23	%YoY
Total Revenue	165.8	131.8	79.0	25.7%	109.7%	297.6	185.2	60.7%
Revenue from hotel operation and commercial properties	89.9	124.1	71.6	-27.5%	25.6%	214.0	170.8	25.3%
Management income	5.9	6.9	6.8	-15.0%	-13.8%	12.8	13.5	-5.6%
Gain on sales of investment in subsidiaries and/or affiliates	69.2	-	-	n.m.	n.m.	69.2	-	n.m.
Other operating income	0.8	0.9	0.6	-3.8%	30.4%	1.7	0.9	83.9%
Cost of Providing Services	34.5	38.8	24.6	-11.1%	40.4%	73.4	65.2	12.5%
Selling and Administrative Expenses	59.6	63.5	75.1	-6.0%	-20.6%	123.1	142.3	-13.5%
Total Operating Expenses	94.1	102.3	99.7	-7.9%	-5.6%	196.4	207.5	-5.3%
EBITDA	71.6	29.6	(20.7)	142.3%	446.7%	101.2	(22.3)	554.0%
Depreciation & amortization	(17.7)	(17.8)	(18.0)	-0.9%	-2.0%	(35.5)	(35.7)	-0.4%
Profit (loss) from operating activities	54.0	11.7	(38.7)	360.2%	239.4%	65.7	(58.0)	213.3%
Financial costs - net ^{1/2/}	(32.7)	(37.3)	(38.7)	-12.4%	-15.5%	(70.1)	(80.6)	-13.1%
Income from continuing operations	21.2	(25.6)	(77.4)	182.9%	127.5%	(4.4)	(138.6)	96.8%
Share of profit (loss) of joint ventures - equity method	(1.5)	(1.7)	(3.4)	12.5%	56.0%	(3.2)	(4.1)	21.2%
Share of profit (loss) of associates - equity method	(4.2)	(1.9)	(6.8)	-115.6%	38.8%	(6.1)	(13.4)	54.5%
Tax expense (income)	1.7	3.9	3.1	-57.0%	-45.1%	5.6	3.2	76.0%
Net Income excluding Extraordinary Items	13.9	(33.2)	(90.7)	141.9%	115.3%	(19.3)	(159.2)	87.9%
Non-Recurring/ Extraordinary Items	6.9	1.9	(7.3)	262.7%	193.4%	8.8	(4.7)	284.7%
Gain (loss) from modified contracts ^{2/}	-	-	(9.6)	n.m.	100.0%	-	(10.1)	100.0%
Impairment reversal (loss) on financial assets	(0.7)	(0.0)	(0.0)	-1389.4%	-1742.1%	(0.7)	0.1	-729.5%
Exchange gain / (loss) on foreign currency loan ^{3/}	(1.1)	(6.7)	(4.5)	83.1%	74.5%	(7.9)	(2.9)	-172.8%
Other (expenses) income ^{3/}	8.7	8.7	6.8	0.3%	28.3%	17.3	8.1	113.9%
Net Income to Owners of the Parent	36.8	(25.1)	(59.0)	246.4%	162.4%	11.7	(106.2)	111.0%
Non-controlling interests	(16.1)	(6.2)	(39.0)	-160.1%	58.9%	(22.2)	(57.8)	61.5%
Net Income (loss) for the Period	20.8	(31.3)	(98.0)	166.3%	121.2%	(10.5)	(163.9)	93.6%

Remark: 1/ The Company has presented Interest Income as a net amount of Interest Expenses in 'Financial Cost - Net' in the MD&A instead of being part of Total Revenue.

2/ From 2Q22 onwards, The Company recalculated the impacts from the amendments of interest and principal payment terms in the credit facility agreements of BC subsidiaries.

3/ In 2Q24, The Company booked Exchange loss on foreign currency loan of THB 1.1 mn. The Company has hedged the foreign currency exposure and relevant gain is booked in Other (expenses) Income.

- **BC's Total Revenue** for 2Q24 came in at THB 165.8 mn, a increase of 25.7% QoQ and 109.7% YoY, primarily attributed to the gain on the divestment of a 50% stake in BCRKH which indirectly invests in the Cove Hill Lifestyle Retail Mall Project which resulted in a gain on sale of investment amounting to THB 69.2 mn. For 6M24, Total Revenue delivered an impressive growth of 60.7% compared to the same period in the previous year.
- **BC's Total Operating Expenses** for 2Q24 were THB 94.1 mn, a decrease of 7.9% QoQ and 5.6% YoY, mainly due to the implementation of clustering strategies among our hotels to leverage synergies and share resources. For 6M24, Total Operating Expenses decreased by 5.3% YoY.
- For the consolidated financial results, the Group's **EBITDA** for 2Q24 showed significant improvement with a positive core EBITDA of THB 71.6 mn, compared to EBITDA of THB 29.6 mn in 1Q24 and a negative EBITDA of THB 20.7 mn in 2Q23. For 6M24, EBITDA improved to THB 101.2 mn profit from a THB 22.3 mn loss in 6M23. The positive YoY EBITDA gain was mainly from the divestment of a 50% stake in BCRKH which indirectly invests in the Cove Hill Lifestyle Retail Mall Project and this improvement serves as an encouraging indication of the ongoing recovery within the tourism industry.
- The share of loss from JV was THB 1.5 mn, an improvement of 12.5% QoQ and 56.0% YoY mainly due to the better operational performance of the Citadines portfolio (JV). Meanwhile, the share of loss from the Thai herbs-wellness venture (associates) was a loss of THB 4.2 mn, a 38.8% YoY improvement attributable to cost-cutting measures.
- The Group's **Core profit** improved to a THB 13.9 mn profit from a THB 90.7 mn loss in 2Q23 and THB 33.2 mn loss in 1Q24, was mainly due to higher revenues from the gain on sale of investment in subsidiaries.
- In 2Q24, BC's **Net profit** was THB 20.8 mn with non-recurring items, including a THB 1.1 mn foreign exchange loss on a third-party USD loan as the THB/USD slightly depreciated during the quarter. However, this FX loss would be offset by a gain on a forward contract that we made against the principal of the loan booked under Other (Expenses) Income. For 6M24, BC's Net Loss at THB 10.5 mn compared to Net Loss at THB 163.9 mn in 6M23.

Segment Performance

Hospitality

- In 2Q24, BC operated nine hotels and serviced apartments. The performance breakdown is shown in two clusters: Bangkok and upcountry. BC also managed a third-party project in Phuket Karon under its own brand, JONO X, earning fees from both revenue management and hotel management.
- During 2Q24, BC Group's Bangkok portfolio comprised Citadines 8, Citadines 11, Citadines 16, Oakwood Residence Sukhumvit 24 and JONO Asok.
- The portfolio of the upcountry cluster included Journeyhub Phuket, Journeyhub Pattaya, Novotel Chiang Mai Nimman Journeyhub and Ibis Chiang Mai Nimman Journeyhub.
- The operating status of BC Group's operating properties are shown below:

Cluster	Properties	In Operation*	Closing period
BKK	Oakwood 24	Yes	
	Jono Asok	Yes	
	Citadines 8	Yes	
	Citadines 11	Yes	
	Citadines 16	Yes	July 2023 - October 2023 **
UPC	Novotel Nimman	Yes	
	Ibis Nimman	Yes	
	Journeyhub Phuket	Yes	
	Journeyhub Pattaya	Yes	

* Status as of 30 June 2024

** Closed from July 2023 to October 2023 for renovation.

Hospitality	2Q24	1Q24	2Q23	%QoQ	%YoY
ADR - BKK	1,877	1,998	1,729	-6.1%	8.6%
ADR - UPC	982	1,311	997	-25.1%	-1.5%
%OCC - BKK	77.4%	81.9%	82.1%	(4.5)	(4.7)
%OCC - UPC	64.6%	85.0%	44.4%	(20.3)	20.2
Total Rev - BKK (THB mn)	72.1	79.8	69.5	-9.6%	3.8%
Total Rev - UPC (THB mn)	38.7	75.5	30.4	-48.7%	27.5%

- Total revenues from Bangkok properties in 2Q24 was THB 72.1 mn, a decrease due to low season of 9.6% QoQ, but an increase 3.8% YoY attributable mainly to the ongoing recovery in tourism. Meanwhile, ADR improved to THB 1,877 from THB 1,729 in 2Q23 even with an occupancy rate of 77.4% in 2Q24 vs 82.1% in 2Q23.
- Total revenues from the upcountry hotel portfolio was THB 38.7 mn in 2Q24, a decrease of 48.7% QoQ and an increase 27.5% YoY. The sharp rise was attributable to the recovery in tourism while the QoQ decline is mainly due to the low tourist season with an occupancy rate of 64.6% in 2Q24.

Commercial/ Retail

Retail	2Q24	1Q24	2Q23	%QoQ	%YoY
ARR-Summer Point (THB)	845	854	828	-1.1%	2.1%
% OCC - Summer Point	92.8%	94.2%	87.2%	(1.4)	5.6
Rev - Summer Point (THB mn)	16.8	16.8	15.3	-0.1%	9.9%
% EBITDA margin - Summer Point	54.8%	58.3%	54.2%	-3.5%	0.7%

- Currently, BC has one mixed-use commercial property in operation, Summer Point, located near the Phrakanong BTS station.
- Meanwhile, the development of our new commercial project, Cove Hill, is almost complete and tenants are fitting out their spaces. It will most likely begin to operate in mid September.
- In 2Q24, revenues from space rentals decreased by 0.1% QoQ and increased 9.9% YoY to THB 16.8 mn. This revenue growth is due to a rise in occupancy to 92.8% for 2Q24 from 87.2% in 2Q23. Our EBITDA margin for this quarter stands at 54.8%.
- Given this higher level of occupancy, we are exploring the option of tokenizing this project.

Statement of Financial Position

Unit: THB million	2Q24	1Q24	2Q23	%QoQ	%YoY
Cash and cash equivalents	81.6	76.3	116.8	6.9%	-30.1%
Total current assets	287.1	171.9	211.5	67.0%	35.8%
Total non-current assets	3,583.2	3,686.5	3,564.7	-2.8%	0.5%
Total assets	3,870.3	3,858.5	3,776.2	0.3%	2.5%
Total liabilities	3,058.3	3,069.4	3,474.1	-0.4%	-12.0%
Total equity	812.0	789.1	302.1	2.9%	168.8%
Parent	641.0	602.9	641.7	6.3%	-0.1%
NCI	171.0	186.1	(339.6)	-8.1%	150.4%
Total liabilities and equity	3,870.3	3,858.5	3,776.2	0.3%	2.5%
Net D/E (x)	3.67	3.79	11.11		
Adj. D/E - proportionate consolidation* (x)	2.49	2.77	2.59		

- As of 2Q24, BC's **Total Assets** were THB 3,870.3 mn, a slight increase from THB 3,858.5 mn in 1Q24.
- BC's **Total Liabilities** were THB 3,058.3 mn in 2Q24, a decrease from THB 3,474.1 mn from 2Q23 mainly due to the repayment of loans from other parties.
- **Total Shareholders' Equity**, which includes equity attributable to owners of the Parent and Non-

Controlling Interest (NCI), stood at THB 812.0 mn, a notable rise from THB 789.1 mn at the end of 1Q24 mainly due to the Net Profit received during 2Q24.

- Net D/E ratio was 3.67x as of 2Q24, which was calculated based on total project loans, including bank loans and shareholders' loans, even though BC generally holds only an economic interest of between 26%-51% in the projects.
- The Group continues to improve its balance sheet position with its Adjusted D/E ratio falling from 2.59x in 2Q23 to 2.49x in 2Q24 while also generating increased liquidity through proactive management of its assets and liabilities.
- Overall, the exit of investments which are a core element of our B-O-S model will continue to play the key role in strengthening BC's financial position and the economic landscape is currently characterized by high interest rates which is not ideal for exit of investments. Nevertheless, BC was still able to achieve a partial exit selling down part of its investment in one project during the past quarter.

Key Developments

Project	Location	# Keys/NLA	Status
Hospitality			
Kamala 1 (Movenpick)	Phuket	202	EIA and construction permit approved. Construction was resumed. Current practical completion timeline is 4Q25.
Kamala 2	Phuket	200	EIA and construction permit approved. Construction schedule to be reviewed in accordance with tourism situation.
Nimman 3	Chiang Mai	141	BOI approved obtained. Under design development process. Plans for further development to be addressed in 2025 annual budget
Sukhumvit 5 (JonoX)	Bangkok	194	Aor I, EIA and BOI approval obtained. Land transferred in January 2023. Piling work was completed. Currently in tendering process for main contractor.
Commercial			
Cove Hill (Charoenkrung Project)	Bangkok	2,233 sqm	Construction and piling work began in late 2022. The building is almost completed and tenants are fitting out their spaces. Tenants are likely to begin to operate in mid September.
Logistic Business			
Self-Storage business	Bangkok	-	Our Go Storage business, a self-storage segment has faced a drop in total occupancy to 69% during 2Q24, while the wine storage segment has not achieved its forecast objectives.
Thai herbs-wellness business			
Thai herbs- wellness business (Bespoke)	Nan/ Bangkok/Chiangmai /Pattaya/Phuket	-	Our Thai herbs-wellness venture, Bespoke Group, is undergoing remarkable growth evident in the substantial 38.8% YoY improvement in its share of profit and loss from associates. This enhancement is attributable to implementation of cost-cutting measures. In 2Q24, we implemented right-sizing of distribution by maintaining good-performing branches in 1Q24 and opening one new branch in the Chiangmai Night Bazaar. In Q224, we partly closed the operation at Summer Point resulting in a loss from disposal of assets at the store. Future expansion of only clinic store formats being considered due to scenario trajectory of long-term regulatory situation in Thailand for the industry yet to be finalised.

Remark: Development plans are subject to change