

August 11, 2021

The President & Director,

The Stock Exchange of Thailand (SET)

**LETTER OF CLARIFICATION for CENTEL's Operating Performance Results  
for the 3 months ended June 30, 2021**

Central Plaza Hotel Pcl. (the "Company" or "CENTEL") wishes to inform and clarify to the SET regarding the analysis of the Company's operating performance results for the 3 months, ended June 30, 2021, with the following details:

1. Overview of the tourism industry in Thailand and the Maldives
  2. Analysis of the operating performance of the Company and for each respective Business Group
  3. Financial Status of the Company
  4. Factors that may impact ongoing business operations for 2021
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1. Overview of the tourism industry in Thailand and the Maldives

1.1 The tourism industry in Thailand

The total number of international tourist arrivals in Q2/2021 was 20,275 – compared to no tourist arrivals in the same period last year as prohibited international flights to Thailand. For H1/2021, total tourist arrivals were 40,447, compared to 6.7 million in the same periods last year, a drop of 99% YoY.

Thailand kicked off reopened country's roadmap starting from the Phuket Sandbox model on July 1, 2021. However, the tourism recovery is still highly uncertain because of the severe impact of the 3<sup>rd</sup> wave in Thailand since April 2021.

## 1.2 The tourism industry in the Maldives

The total number of international tourist arrivals in Q2/2021 was 211,979 – compared to no tourist arrivals in the same period last year as the full closure of the Maldives. However in Q2/2021, the top three arrivals were Russian, Indian, and German with the contribution of 29%, 9%, and 6% of total arrivals, respectively.

For H1/2021, the total arrivals were 510,549 compared to 382,817 in the same period last year, or an increase of 33% YoY. Russian and Indian mainly drove the market at the growth of 331% and 157% YoY with the contribution of 24% and 18% of total arrivals, respectively.

## 2. Analysis of the operating performance of the Company and for each respective Business Group

### 2.1 Analysis of the operating performance

#### Operating Performance for Q2/2021 and Q2/2020

(Amount - in Baht Million)	Q2/2021		Q2/2020		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	322	12%	139	6%	183
Revenues - food business	2,368	88%	2,197	94%	171	8%
<b>Total revenues</b>	<b>2,690</b>	<b>100%</b>	<b>2,336</b>	<b>100%</b>	<b>354</b>	<b>15%</b>
Cost of sales - hotel business	(192)	-7%	(85)	-4%	107	126%
Cost of sales - food business	(963)	-36%	(873)	-37%	90	10%
<b>Total cost of sales<sup>(1)</sup></b>	<b>(1,155)</b>	<b>-43%</b>	<b>(958)</b>	<b>-41%</b>	<b>197</b>	<b>21%</b>
Selling & General Administrative Expenses	(1,220)	-45%	(944)	-40%	276	29%
Share of Profit / (Loss) - Investments (by the equity method)	(13)	0%	5	0%	(18)	-360%
<b>Earning before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>302</b>	<b>11%</b>	<b>439</b>	<b>19%</b>	<b>(137)</b>	<b>-31%</b>
Depreciation & Amortization	(816)	-30%	(852)	-36%	(36)	-4%
<b>Loss before Interest and Tax (EBIT)</b>	<b>(514)</b>	<b>-19%</b>	<b>(413)</b>	<b>-18%</b>	<b>(101)</b>	<b>-24%</b>
Finance Costs <sup>(2)</sup>	(172)	-6%	(143)	-6%	29	20%
Corporate Tax Income	7	0%	39	2%	(32)	-82%
Loss from Non-Controlling Interests	27	1%	51	2%	(24)	-47%
<b>Net Loss from operation</b>	<b>(652)</b>	<b>-24%</b>	<b>(466)</b>	<b>-20%</b>	<b>(186)</b>	<b>-40%</b>
<b>Extraordinary Items</b>						
Reversal for assets Impairment	45	2%	-	-	45	NA
<b>Net Loss</b>	<b>(607)</b>	<b>-23%</b>	<b>(466)</b>	<b>-20%</b>	<b>(141)</b>	<b>-30%</b>

(1) Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales

(2) Finance costs excluding interest expenses related to the lease according to TFRS 16 are Baht 75 million (Q2/2020 : Baht 57 million)

Q2/2021: The Company achieved total revenues of Baht 2,690 million (Q2/2020: Baht 2,336 million) an increase of Baht 354 million (or a rise of 15% YoY), with the proportion of total revenues between the hotel business and the food business being 12%:88% (Q2/2020: 6%:94%); while Gross Profit was Baht 1,408 million, an increase of 9% YoY and representing a Gross Profit Margin of 55% of the revenues (excluding other income) that decreased from the same period last year (Q2/2020: 57%). The Company achieved an Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) of Baht 302 million, (Q2/2020: Baht 439 million), a decrease of Baht 137 million (or a drop of 31% YoY) from Q2/2020 and representing an EBITDA Margin of 11% that was a decrease compared to last year (Q2/2020: 19%). The Company had a Net loss from operation of Baht 652 million, an increased loss of Baht 186 million (or 40% YoY). As such, if the reversal of asset impairment in a total of Baht 45 million was included, the Company would have a Net Loss of Baht 607 million, an increased loss of Baht 141 million, or 30% YoY.

Operating Performance for 6 months 2021 and 2020

(Amount - in Baht Million)	6 months 2021		6 months 2020		Changes YoY (Increase+/- Decrease-)	
	Amount	%	Amount	%	Amount	%
Revenues - hotel business	822	15%	1,936	28%	(1,114)	-58%
Revenues - food business	4,641	85%	5,002	72%	(361)	-7%
<b>Total revenues</b>	<b>5,463</b>	<b>100%</b>	<b>6,938</b>	<b>100%</b>	<b>(1,475)</b>	<b>-21%</b>
Cost of sales - hotel business	(403)	-7%	(721)	-10%	(318)	-44%
Cost of sales - food business	(1,891)	-35%	(2,125)	-31%	(234)	-11%
<b>Total cost of sales <sup>(1)</sup></b>	<b>(2,294)</b>	<b>-42%</b>	<b>(2,846)</b>	<b>-41%</b>	<b>(552)</b>	<b>-19%</b>
Selling & General Administrative Expenses	(2,359)	-43%	(2,612)	-38%	(253)	-10%
Share of Profit / (Loss) - Investments (by the equity method)	(22)	0%	12	0%	(34)	-283%
<b>Earning before Interest, Tax, Depreciation and Amortization (EBITDA)</b>	<b>788</b>	<b>14%</b>	<b>1,492</b>	<b>22%</b>	<b>(704)</b>	<b>-47%</b>
Depreciation & Amortization	(1,626)	-30%	(1,707)	-25%	(81)	-5%
<b>Loss before Interest and Tax (EBIT)</b>	<b>(838)</b>	<b>-15%</b>	<b>(215)</b>	<b>-3%</b>	<b>(623)</b>	<b>-290%</b>
Finance Costs <sup>(2)</sup>	(337)	-6%	(314)	-5%	23	7%
Corporate Tax Income	16	0%	25	0%	(9)	-36%
Loss from Non-Controlling Interests	32	1%	29	0%	3	10%
<b>Net Loss from operation</b>	<b>(1,127)</b>	<b>-21%</b>	<b>(475)</b>	<b>-7%</b>	<b>(652)</b>	<b>-137%</b>
<b>Extraordinary Items</b>						
Reversal (Provision) for assets Impairment	45	1%	(36)	-1%	81	-225%
<b>Net Loss</b>	<b>(1,082)</b>	<b>-20%</b>	<b>(511)</b>	<b>-7%</b>	<b>(571)</b>	<b>-112%</b>

(1) Cost of Sales EXCLUDES Depreciation & Amortization Expenses that are allocated to Cost of Sales

(2) Finance costs excluding interest expenses related to the lease according to TFRS 16 are Baht 141 million (6 months 2020 : Baht 111 million)

6 months 2021: The Company achieved Total Revenues of Baht 5,463 million (H1/2020: Baht 6,938 million), a decrease of Baht 1,475 million (or a drop of 21%) YoY, with the proportion of total revenues between the Hotel Business and the Food Business being 15%: 85% (H1/2020: 28%: 72%); while Total Gross Profit was Baht 2,948 million, a decrease of Baht 949 million or -24% YoY and representing a Gross Profit Margin of 56% of total revenues (excluding other income) that was a drop compared to the same period last year (H1/2020: 58%). The Company achieved a Total EBITDA of Baht 788 million (H1/2020: Baht 1,492 million), a decrease of Baht 704 million (or a decrease of 47%) YoY that equaled to an EBITDA Margin of 14% which is a decrease from the same period last year (H1/2020: 22%). The Company had a Net Loss from the operation of Baht 1,127 million, an increased loss of Baht 652 million or 137% YoY. As such, if the extraordinary item relating to the reversal (provision) of assets impairment was included, the Company would then have a Net Loss of Baht 1,082 million, an increased loss of Baht 571 million, or 112% YoY.

## 2.2 Analysis of the Operating Results for each respective Business Group

### 2.2.1 Hotel Business

As of June 30, 2021, the Company had hotels under management in a total of 84 hotels (17,224 rooms); with 44 hotels (7,819 rooms) already in operation together with another 40 hotels (9,405 rooms) still under development. Of the 44 hotels already in operation, 18 hotels (4,443 rooms) are owned and operated by the Company, with the other 26 hotels (3,376 rooms) being operated under the Company's Hotel Management Agreements.

As of June 30, 2021, there was a total of 27 operating hotels with 9 owned hotels and 18 managed hotels. The details are as following:

Number	Owned hotels	Rooms	Country
1	Centara Grand & Bangkok Convention Centre at CentralWorld	509	Thailand
2	Centara Grand Beach Resort & Villas Hua Hin	251	Thailand
3	Centara Grand Mirage Beach Resort, Pattaya	553	Thailand
4	Centara Grand at Central Plaza Ladprao Bangkok	565	Thailand
5	Centra by Centara Government Complex Hotel & Convention Centre Cheang Watthana	212	Thailand
6	Centara Grand Beach Resort, Phuket	261	Thailand
7	Centara Ras Fushi Resort & Spa Maldives	140	Maldives

8	Centara Grand Island Resort & Spa Maldives	112	Maldives
9	Cosi Pattaya Wong Amat Beach	282	Thailand
	<b>Total</b>	<b>2,885</b>	

Number	Managed hotels	Rooms	Country
1	Centara Koh Chang Tropicana Resort	157	Thailand
2	Centara Chaan Talay Resort & Villas Trat	43	Thailand
3	Centara Q Resort Rayong	41	Thailand
4	Khum Phaya Resort and Spa, Centara Boutique Collection	85	Thailand
5	Centara Watergate Pavillion Hotel Bangkok	281	Thailand
6	Centara Hotel & Convention Centre Udon Thani	259	Thailand
7	Centra by Centara Phu Pano Resort Krabi	158	Thailand
8	Maikhao Dream Villa Resort & Spa, Centara Boutique Collection	22	Thailand
9	Centra by Centara Cha Am Beach Resort Hua Hin	188	Thailand
10	COSI Krabi Ao Nang Beach	142	Thailand
11	Centara Ceysands Resort & Spa Srilanka	165	Sri Lanka
12	Centara Muscat Hotel Oman	152	Oman
13	Muscat Dunes Hotel managed by Centara	71	Oman
14	Centara West Bay Hotel & Residences Doha	172	Qatar
15	Centra by Centara Maris Resort Jomtien	282	Thailand
16	Centara Ao Nang Beach Resort & Spa Krabi	179	Thailand
17	Centara Sonrisa Residence and Suites Sriracha	145	Thailand
18	Roukh Kiri Khaoyai	12	Thailand
	<b>Total</b>	<b>2,554</b>	

Operations Results - Hotel Business (for owned & operated hotels) Q2/2021

Occupancy Rate (OCC) %	Total Operating Performance		
	Q2/2021	Q2/2020	Changes YoY
Bangkok	17%	7%	+10%
Upcountry	8%	3%	+5%
Maldives	25%	-	+25%
Thailand - Average	11%	5%	+6%
Total - Average	12%	4%	+8%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	Q2/2021	Q2/2020	Changes YoY
Bangkok	1,351	1,246	+9%
Upcountry	3,285	3,827	-15%
Maldives	9,446	-	NA
Thailand - Average	2,343	2,490	-6%
Total - Average	3,214	2,490	+29%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	Q2/2021	Q2/2020	Changes YoY
Bangkok	227	85	+167%
Upcountry	274	125	+120%
Maldives*	2,320	-	NA
Thailand - Average	259	111	+133%
Total - Average	381	104	+266%

Note: Calculation based on total available rooms of operating and temporary closing hotels

Operating Performance - Hotel Business Q2/2021

Hotel Business (In Baht Million)	Q2/2021	Q2/2020	Changes YoY
Revenues - Hotel Business operations	266	68	+292%
Total Revenues (including other income)	322	139	+131%
Gross Profit / (Loss)	74	(17)	-535%
% Gross Profit / (Loss) Margin	28%	-25%	+53%
EBITDA / (Loss)	(295)	(185)	+60%
% EBITDA / (Loss) Margin	-92%	-133%	+41%
Net Loss from Operation	(672)	(506)	+33%
Reversal of assets impairment	45	-	NA
Net Loss	(627)	(506)	+23%
% Net Loss	-196%	-364%	+168%

- Q2/2021:

The hotel business achieved total revenues of Baht 322 million, an increase of Baht 183 million (or a rise of 131% YoY) from Q2/2020.

In Q2/2021, Thailand was hit by the 3<sup>rd</sup> wave of COVID-19, while the Maldives was in low season and temporarily prohibited tourists from South Asia countries, including India effective from May 13 – July 14, 2021. However, due to the low base last year, the RevPar increased by 266% YoY to be at Baht 381, as a result of the Occupancy Rate (OCC) increasing from 4% to 12% in Q2/2021; while Average Room Rate (ARR) increased by 29% YoY to Baht 3,214.

- Bangkok: RevPar increased by 167% to be at Baht 227 as a result of the Occupancy Rate (OCC) improving from 7% to 17% and the Average Room Rate (ARR) also increasing by 9% YoY to Baht 1,351.
- Upcountry: RevPar increased by 120% to be at Baht 274 as a result of the Occupancy Rate rising from 3% to 8%, but the Average Room Rate (ARR) dropped by 15% YoY to Baht 3,285.
- Maldives: Due to the temporary closure of the hotels in Q2/2020, there is no compared performance YoY. However, in Q2/2021, RevPar presented at

Baht 2,320 as a result of the Average Room Rate (ARR) of Baht 9,446 and the Occupancy Rate at 25%.

In Q2/2021, Gross Profit was Baht 74 million (Q2/2020: Loss of Baht 17 million), an increase of 544% YoY. An EBITDA was a loss of Baht 295 million (Q2/2020: Loss of Baht 185 million). A Loss before Interest, Tax, Depreciation, and Amortization margin (%EBITDA margin) improved from the same period last year to be -92% in Q2/2021 (Q2/2020: -133%). The rent payment term for Centara Grand Beach Resort & Villas Hua Hin was adjusted from fixed rent to variable rent based on operating performance (EBITDA before rent) of the hotel. This incurred expense reduction by Baht 22 million in Q2/2021 from the reversal of lease liabilities and right-of-use assets. However, increasing Loss of EBITDA compared to the same period last year was mainly from rising of costs and expenses in key items as follows:

- An unrealized loss on the exchange rate from foreign currency loans in a total of Baht 41 million in Q2/2021 (Q2/2020: gain of Baht 67 million)
- In Q2/2021, there was no subsidy from the Social Security Office, related to the Government's measures of closing down the hotels as being supported in last year. It was allowed the Company to save the expense more than Baht 70 million in Q2/2020.
- Pre-opening costs and expenses of Centara Reserve Samui in a total of Baht 34 million.

The Company had a Net Loss from the operation of Baht 672 million, an increased loss of Baht 166 million or 33% YoY. As such, if the extraordinary item related to the reversal of assets impairment of Centara Kata Resort Phuket of Baht 45 million was included in Q2/2021, the Company would then have a Net Loss of Baht 627 million, an increased loss of Baht 121 million, or 23% YoY.



Operations Results - Hotel Business (for owned & operated hotels) for 6 months 2021

Occupancy Rate (OCC) %	Total Operating Performance		
	6 months 2021	6 months 2020	Changes YoY
Bangkok	15%	27%	-12%
Upcountry	8%	33%	-25%
Maldives	50%	36%	+14%
Thailand - Average	10%	31%	-21%
Total - Average	13%	31%	-18%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	6 months 2021	6 months 2020	Changes YoY
Bangkok	1,525	2,570	-41%
Upcountry	3,295	4,648	-29%
Maldives	9,386	18,979	-51%
Thailand - Average	2,471	4,048	-39%
Total - Average	4,096	5,100	-20%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	6 months 2021	6 months 2020	Changes YoY
Bangkok	227	681	-67%
Upcountry	266	1,555	-83%
Maldives*	4,701	6,740	-30%
Thailand - Average	253	1,258	-80%
Total - Average	516	1,600	-68%

\*Total revenue per available rooms in USD (TRevPar) increased by 3%.

Note: Calculation based on total available rooms of operating and temporary closing hotels

Operating Performance - Hotel Business H1/2021

Hotel Business (In Baht Million)	6 months 2021	6 months 2020	Changes YoY
Revenues - Hotel Business operations	705	1,786	-61%
Total Revenues (including other income)	822	1,936	-58%
Gross Profit	302	1,065	-72%
% Gross Profit Margin	43%	60%	-17%
EBITDA / (Loss)	(390)	371	-205%
% EBITDA / (Loss) Margin	-48%	19%	-67%
Net Loss from Operation	(1,172)	(469)	+150%
Reversal (Provision) of assets impairment	45	(36)	-225%
Net Loss	(1,127)	(505)	+123%
% Net Loss	-137%	-26%	-111%

- 6 months 2021:

- The Hotel Business achieved Total Revenues of Baht 822 million, a decrease of Baht 1,114 million or (or -58%) YoY

Occupancy Rate (OCC) decreased from 31% to 13%; while Average Room Rate (ARR) dropped by 20% YoY to Baht 4,096 that then resulted in the RevPar be decreased by 68% YoY to be at Baht 516.

- Bangkok: RevPar decreased by 67% YoY to be at Baht 227, due to the fall in Occupancy Rate (OCC) from 27% to 15%; while Average Room Rate (ARR) was Baht 1,525, a decrease of 41% YoY.
- Upcountry: RevPar decreased by 83% to be at Baht 266, resulting from the Occupancy Rate (OCC) falling from 33% to 8%; and the Average Room Rate (ARR) decreased by 29% YoY to Baht 3,295.
- Maldives: RevPar decreased by 30% YoY to Baht 4,701, with the Occupancy Rate (OCC) rising from 36% to 50%; but Average Room Rate (ARR) decreased by 51% YoY to Baht 9,386. However, if considered in US Dollars, Total Revenue Per Available Rooms (TRevPar) improved by 3% YoY.

For the 6 months 2021 period, the Company achieved Total Gross Profit of Baht 301 million (6 months 2020: Baht 1,065 million), a decrease of 72% YoY, with the Gross Profit Margin being at 43% that is a decrease compared to the same period last year (6 months 2020: 60%). The EBITDA Margin was -48% of total revenues, a decrease compared to the same period last year (6 months 2020: 19%). An EBITDA was a loss of Baht 390 million (6 months 2020: gain of Baht 371 million). The Company had a Net Loss from the operation of Baht 1,172 million, an increased loss of Baht 703 million or 150% YoY. As such, if the extraordinary items related to the reversal (provision) of assets impairment were included, the Net Loss would be Baht 1,127 million, an increased loss of Baht 622 million, or 123% YoY.

### 2.2.2 Food Business

#### Operating Results - Food Business Q2/2021

Same Store Sales	Q2/2021	Q2/2020
Top 4 brands	-2%	-31%
Other brands*	28%	-64%
Total Average	0%	-35%

Total Systems Sales	Q2/2021	Q2/2020
Top 4 brands	0%	-28%
Other brands*	47%	-53%
Total Average	5%	-32%

\*Excluded Grab Kitchen by Every Food and Joint Ventures' brands

Number of QSR Outlets	Q2/2021	Q2/2020
KFC	286	282
Mister Donut	374	373
Auntie Anne's	192	183
Ootoya	45	48
Pepper Lunch	45	46
Cold Stone Creamery	16	17
The Terrace	10	9

Chubuton	17	17
Yoshinoya	22	18
Tenya	14	14
Katsuya	42	38
Aroi Dee	27	17
Suki House	-	3
Kowlune	9	2
Arigato	58	32
Grab Kitchen by Every Food	11	-
<b>Joint ventures' brands</b>		
Salad Factory <sup>(1)</sup>	14	7
Brown Café	11	-
Café Amazon - Vietnam <sup>(1)</sup>	6	-
Som Tum Nua	6	-
<b>Total</b>	<b>1,205</b>	<b>1,106</b>

<sup>(1)</sup> Presented as Joint ventures in Financial Statement

Food Business (in Baht Million)	Q2/2021	Q2/2020	Changes YoY
Sales Revenues	2,297	2,177	+5%
Total Revenues (including other income)	2,368	2,197	+8%
Gross Profit	1,334	1,304	+2%
% Gross Profit Margin	58%	60%	-2%
EBITDA	597	625	-4%
% EBITDA Margin	25%	28%	-3%
Net Profit from Operations	20	40	-50%
% Net Profit	1%	2%	-1%

- For Q2/2021, The Company achieved the food business's Total Revenues of Baht 2,368 million, an increase of Baht 171 million (or an increase of 8%) YoY as a result of an increase of Total System Sale (TSS) by 5% compared to Q2/2020. The performance of the food business in Q2/2021 improved quarter on quarter but was weaker than the same period last year due to the impact of the 3<sup>rd</sup> wave of COVID-19, which increases new clusters in many places such as pubs & bars and prisons. Therefore, the Government's restriction to

prevent the spread of COVID-19 has been enforced and adjusted by the province depended on the situation. The restriction on dine-in has an adverse impact on the food business in Q2/2021. It has been changed several times such as during May 1-16, dine-in ban for restaurants in the dark red zone, while during May 17- June 20, allowed dine-in 25% of the capacity, and then from June 28 to present, dine-in ban again by the Government.

- The food's revenue increased by 5% YoY in Q2/2021 driven by delivery. Almost all brands presented revenue growth YoY, particularly Japanese brands partly due to a low base last year during the 1<sup>st</sup> lockdown. Whereas, KFC and Mister Donut reported the revenue drop YoY mainly caused by a dramatic decrease of sales in the hypermarket and also a high base last year because the 1<sup>st</sup> lockdown had less impact on these two brands than the others.
- As of June 30, 2021, The Company had a total of 1,205 outlets, a net increase of 99 outlets compared to the end of Q2/2020. The number of outlets mainly increased from Auntie's Anne (+9), Aroi Dee (+10), Arigato (+26), Grab Kitchen by Every Food (+11), and Joint Ventures' brands (+30). The number of outlets increased by 16 outlets compared to Q1/2021.
- Due to the impact of COVID-19, the Company primarily focuses on increase in distribution channels, especially delivery, online, and take away. The revenue contribution from these channels particularly delivery is continually increasing. Gross Profit margin dropped YoY as a result of an increase in sale promotion and delivery campaign expenses in many brands to make up for the loss of dine-in sales. However, the Company has been continuously concentrating on cost management, particularly staff costs by reducing work hours of temporary staff and adjusting the number of staff related to sales. Additionally, the Company receives good responses in negotiation with suppliers for cost reduction in raw materials and related services, together with the credit term extension. Furthermore, the Company attempts to negotiate with the landlords for reducing rental fees to be justified with the current revenue.
- The Company had EBITDA of Baht 597 million with a % EBITDA margin at 25% and Net Profit from the operation of Baht 20 million in Q2/2021, a decrease of Baht 20 million or -50% YoY.

#### Operating Results - Food Business for 6 months 2021

Same Systems Sales (SSS)	6 months 2021	6 months 2020
Top 4 brands	-14%	-20%
Other brands*	-6%	-45%
Total Average	-13%	-23%

Total Systems Sales (TSS)	6 months 2021	6 months 2020
Top 4 brands	-11%	-16%
Other brands*	8%	-32%
Total Average	-9%	-18%

\*Excluded Grab Kitchen by Every Food and Joint Ventures' brands

Food Business (in Baht Million)	6 months 2021	6 months 2020	Change YoY
Sales Revenues	4,537	4,957	-8%
Total Revenues (including other income)	4,641	5,002	-7%
Gross Profit	2,646	2,832	-7%
Gross Profit Margin %	58%	57%	+1%
EBITDA	1,178	1,121	+5%
% EBITDA Margin	25%	22%	+3%
Net Profit / (Loss) from Operations	44	(6)	-833%
% Net Profit / (Loss) from Operations	1%	0%	+1%

- For 6 months 2021, The Company had total revenue of the food business in a total of Baht 4,641 million, a decrease of Baht 361 million (or -7% YoY). A decrease of revenue due to the significant impact of COVID-19 to SSS during the 2<sup>nd</sup> wave in Q1/2021, which began in the 2<sup>nd</sup> half of December 2020. Consequently, the revenue dramatically dropped in Q1/2021 YoY (Q1/2021: SSS -23%). For 6 months 2021, SSS decreased by 13% YoY (6 months 2020: -23%). The top 4 brands reported a drop of SSS at 14% YoY. The Company had an EBITDA of Baht 1,178 million or a % EBITDA margin at 25%, and a Net Profit from the operation of Baht 44 million (from a Loss of Baht 6 million for 6 months 2020) or an increase of 833%.

### 3. Financial Status

#### Financial Position and Cash Flows

As of June 30, 2021, the Company had Total Assets of Baht 47,682 million, an increase of Baht 12,302 million (or 35% YoY) compared to the end of 2020, mainly due to the increase in land, property, plant, and equipment totaling Baht 12,441 million, which was from the land revaluation of Baht 12,013 million.

Total Liabilities were Baht 28,702 million, an increase of Baht 3,557 million (or 14% YoY) compared to the end of 2020. The increases in Total Liabilities were mainly from an increase in long-term loans from financial institutions of Baht 3,390 million and deferred tax liability net rise of Baht 2,216 million, which related to the impact of revalued land of Baht 2,403 million. On the other hand, lease liabilities decreased by Baht 929 million, and a decrease of bank overdrafts and short-term loans from financial institutions of Baht 1,214 million.

The Company had Total Shareholders' Equity of Baht 18,980 million, an increase from the end of 2020 of Baht 8,745 million (or 85% YoY), resulting mainly an increase of other components of shareholders' equity of in a total of Baht 9,789 million with related to the revaluation of land of Baht 9,610 million.

As of June 30, 2021, the Company had Net Cash Flows from Operating activities totaling Baht 807 million, a decrease of Baht 32 million YoY; together with Net Cash Flows used in Investing activities of Baht 1,482 million, a decrease of Baht 491 million (or -25% YoY), which mainly consisted of payments to purchase property, plant and equipment including intangible assets totaling Baht 1,128 million and cash paid for investing and lending to joint ventures of Baht 204 million. While the Company had Net Cash Flows from Financing activities totaling Baht 797 million, a decrease of Baht 1,221 million YoY, which mainly came from long-term loans from financial institutions, net increase of Baht 3,315 million being netted-off with repayments of short-term loans totaling Baht 1,514 million and repayments of lease liabilities totaling Baht 1,053 million.

In order to tackle with the uncertainty of business recovery, the Company prepared for available credit lines both short-term and long-term totaling approximately Baht 8,300 million as of June 30, 2021; which, is sufficient to support business operation under high volatility until Q4/2022. The Company has operating costs and expenses, capital expenditures, and interest expenses (excluding interest expenses related to the lease according to TFRS 16) approximately Baht 370 - 380 million per month on average. While operating cash flow for food business, together with available cash and cash equivalents on hand is sufficient to support its operation and investment.

#### Analysis of Financial Ratios

Financial Ratios	Q2/2021	2020
Current Ratio (times)	0.7	0.6
Interest Bearing Debt / Equity (times)	1.2	2.2
Interest Bearing Debts (excluding lease liabilities) / Equity (times)	0.7	1.1

As of June 30, 2021, the Company's current ratio at 0.7 times improved from the end of 2020. Interest Bearing Debts / Equity Ratio decreased to 1.2 times, which was better than the end of last year mainly as a result of an increase in equity due to the revaluation of land. The Company had Interest Bearing Debts (excluding liabilities relating to lease) / Equity of 0.7 times, which was well below the financial covenant with financial institutions at 2.0 times.

#### 4. Factors that may impact ongoing business operations

- Factors that may impact ongoing business operations in 2021:

Hotel Business : The impact of the 3<sup>rd</sup> wave of COVID-19 is a challenge to tourism recovery. Therefore, cost-efficient management and prudent investment plans are the key strategies under uncertain circumstances. The Company is closely monitoring the capital expenditure (CAPEX) at the possible minimum level. The total CAPEX of hotel business (including annual renovation and new projects) is approximately Baht 2,600 million for this year. The Company maintained CAPEX plan of new projects in Dubai, Japan, and rebranding and repositioning the hotel in Samui but postponed new resorts in Maldives and COSI, Chiang Mai. The details of key capital expenditure and opening plan as are following:

- Centara Grand Beach Resort Samui has been closed for upgrading from the current Upper Upscale hotel to Centara Reserve Samui, a Luxury hotel. It is targeted to open in Q4/2021 after the closure of major renovations since June 1, 2019. The investment cost is approximately Baht 600 million for this year.
  - Centara Mirage Beach Resort Dubai, expecting to open in Q4/2021. The investment cost is approximately Baht 800 million for this year.
  - Centara Grand Hotel Osaka, expecting to open in 2023. The capital expenditure is approximately Baht 570 million for this year.
- Business trends for 2021
    - Hotel Business - The recovery of the hotel business has been stumbling as the new-emerging phase of COVID-19 particularly in Asia; together with the delay in the vaccine rollout plan. As such, the Company has to revisit the hotel opening and closing plan in Q3/2021 to minimize operating costs and expenses. However, all owned hotels are tentatively planned to resume operating within Q4/2021 but the re-opening plan is adjustable depending on the pandemic situation.



- Food Business: the pandemic of COVID-19 has been continuing dramatically impact to the economy and the food business's revenue. The outbreak of the 3<sup>rd</sup> wave is not unraveling as the number of new cases of infection has been increasing since March 2021. Consequently, the Government tightened the measures in the dark-red zone such as closed shopping malls except for the supermarkets and drug stores and adjusted operating hours, dine-in ban but allowed delivery and advanced orders to take away.

The Company is closely monitoring the situation and has made plans to effectively meet and face the ongoing uncertainties in being well-prepared from the managing experiences since the 1<sup>st</sup> outbreak with regard to having appropriate liquidity management. The strategy is focusing on 3 key operational aspects; namely: generating sales revenues, decreasing costs of sales, and being cautious and prudent regarding business expansion and investments projects.

- With regard to plans to generate sales revenues, the Company is still focusing on expanding sale distribution channels together with developing new business models, with the main aim of establishing new sales channels and offering new choices for its customers. As such, those sales channels through which the Company expects to achieve ongoing sales growth are food delivery services - both through its own online '1312 Food Hunt', food delivery application as well as through various other food aggregators and other e-commerce platforms for example selling vouchers online.
- With regard to cost savings and management, the Company has restructured its workforce by increasing the proportion of part-time workers to full-time staff and hiring freezes, to enable the Company to achieve increased flexibility in managing its costs of sales and concentrating on work efficiency. For rental fees, the Company has been negotiating with landlords for rental fees deduction corresponding to the dynamic situation, which is related to the Government's measures.
- With regard to its investment plans for outlet expansion, the Company will focus on new outlets for its key brands with an emphasis on outlets located outside of shopping malls, together with developing new business models - such as a Cloud Kitchen/ Delco to support delivery channels, a container model to support low-cost outlet expansion for maintaining return on investment together with creating a business model to support digital trend such as curbside/ click & collect for key brands and franchised expansion.

The outbreak of COVID-19 tends to be ongoing throughout Q3/2021. Therefore, Same-Store-Sales (SSS) and Total-System-Sales (TSS) will be significantly impacted YoY in 2021. However, the size of the impact is mainly dependent on the Government's restrictions and the

economic recovery. In 2021, The Company targets the number of outlets net increase of 130-150 outlets from last year.

For your information accordingly;

Respectfully Yours,



(Dr. Ronnachit Mahattanapreut)

SVP, Finance and Administration