

Ref. No. PLAT 16/2021

November 9, 2021

Subject: Management Discussion & Analysis (MD&A) of the Company and its subsidiaries for the third quarter of year 2021

To: The President  
The Stock Exchange of Thailand

The Platinum Group Public Company Limited and its subsidiaries (the "Company") would like to report the operating results for three-month period and nine-month period ending September 30, 2021. The details are as follows:

### 1. Operating Revenue

In the third quarter of 2021, the Company's total operating revenue was Baht 77 million, decreased by 50% compared with the same period last year (Nine-month period of year 2021 was Baht 321 million, decreased by 60% compared with the same period last year). The details are as follows:

Descriptions	3-Month period				9-Month period			
	2021	2020	Variance		2021	2020	Variance	
	MB	MB	MB	%	MB	MB	MB	%
Revenue from Rental and Services	52	108	(56)	-52	255	581	(326)	-56
Revenue from Hotel Operation	4	5	(1)	-20	15	77	(62)	-81
Revenue from Food and Beverage	2	20	(18)	-90	20	66	(46)	-70
Other Revenue	19	22	(3)	-14	31	71	(40)	-56
<b>Total Revenue</b>	<b>77</b>	<b>155</b>	<b>(78)</b>	<b>-50</b>	<b>321</b>	<b>795</b>	<b>(474)</b>	<b>-60</b>

#### 1.1 Revenue from Rental and Services

In the third quarter of 2021, the Company's rental and service income was Baht 52 million, decreased by 52% compared with the same period last year (Nine-month period year of 2021 was Baht 255 million, decreased by 56% compared with the same period last year). It was mainly due to the temporary closure of both Shopping Malls of the Company during July and August for 51 days according to government measures to prevent COVID-19 outbreak. During the closure, the Company had implemented a measure to help tenants by fully waiving rental and service fee. In addition, after the reopening, the Company continues to provide rental and service discount to tenants who were considerably affected by Covid-19 which resulting in lower consumer purchasing power. The abovementioned reasons cause a significantly decrease in revenue from rental and services when compared with the same period last year.

## 1.2 Revenue from Hotel Operation

In the third quarter of year 2021, the Company's revenue from hotel operation was Baht 4 million decreased by 20% compared with the same period last year (Nine-month period of year 2021 was Baht 15 million decreased by 81% compared with the same period last year). It was mainly due to Lockdown measure and international passenger flights' restriction to prevent the spread of COVID-19. Even though the hotel had remained opened, foreign tourists were unable to travel into the country. The hotel, therefore, had adjusted its marketing strategy to support domestic tourism i.e., domestic guests traveling across provinces for taking a break or for meetings and at the same time "Staycation" was promoted. The hotel also participated in the promotion program and stimulate tourism of the government sector, such as "We Travel Together" campaign by doing it in conjunction with various promotions of the hotel itself in order to maximize number of guests for that period.

## 1.3 Revenue from Food and Beverage

In the third quarter of year 2021, the Company's revenue from food and beverage service was Baht 2 million decreased by 90% compared with the same period last year (Nine-month period of year 2021 was Baht 20 million decreased by 70% compared with the same period last year). It was due to government measure to close shopping mall and spread of COVID-19 caused the decreased number of shoppers as mentioned above.

## 1.4 Other revenue

In the third quarter of year 2021, the Company's other revenue was Baht 19 million decreased by 14% compared with the same period last year (Nine-month period of year 2021 was Baht 31 million decreased by 56% compared with the same period last year). This was mainly due to a decrease in profit from selling investments in trading securities from the previous year.

## 2. Total cost

In the third quarter of year 2021, the Company's total cost was Baht 132 million, decreased by 20% compared with the same period last year (Nine-month period of year 2021 was Baht 427 million decreased by 23% compared with the same period last year). The details of the Company's cost are shown in the table below:

Descriptions	3-Month period				9-Month period			
	2021	2020	Variance		2021	2020	Variance	
	MB	MB	MB	%	MB	MB	MB	%
Cost of Rental and Services	112	124	(12)	-10	349	415	(66)	-16
Cost of Hotel Operation	16	21	(5)	-24	54	83	(29)	-35
Cost of Food and Beverage	4	19	(15)	-79	24	60	(36)	-60
<b>Total Cost</b>	<b>132</b>	<b>164</b>	<b>(32)</b>	<b>-20</b>	<b>427</b>	<b>558</b>	<b>(131)</b>	<b>-23</b>

## 2.1 Cost of Rental and Services

In the third quarter of year 2021, the Company's cost of rental and services was Baht 112 million decreased by 10% compared with the same period last year (Nine-month period of year 2021 was Baht 349 million decreased by 16% compared with the same period last year). This is in line with the lower revenue of rental and services. The Company had extended measures to reduce operating expenses such as utility expenses, some outsource service provider expenses i.e., security guard and cleaning staff according to the level of functioning that could be adjusted. In addition, negotiation with various counterparties had been done to manage costs as efficiently as possible.

## 2.2 Cost of Hotel Operation

In the third quarter of year 2021, the Company's cost of hotel operation was Baht 16 million decreased by 24% compared with the same period last year (Nine-month period of year 2021 was Baht 54 million decreased by 35% compared with the same period last year). The Company had implemented cost control in line with the change in revenue affected from the government sector's international travel restriction measures that caused a significant decrease in foreign tourists as mentioned above.

## 2.3 Cost of Food and Beverage

In the third quarter of year 2021, the Company's cost of food and beverage was Baht 4 million decreased by 79% compared with the same period last year (Nine-month period of year 2021 was Baht 24 million decreased by 60% compared with the same period last year). The decline was mainly due to the decrease in food and beverage sales which lowered the cost of food and beverage proportionally.

## 3. Expenses

Descriptions	3-Month period				9-Month period			
	2021	2020	Variance		2021	2020	Variance	
	MB	MB	MB	%	MB	MB	MB	%
Selling and administrative expenses	59	62	(3)	-5	221	206	15	7
(Gain) Unrealized loss from fair value adjustment	1	2	(1)	-50	2	51	(49)	-96
Financial cost	33	23	10	43	97	64	(33)	-52
Tax income (expenses)	6	6	-	-	7	54	(47)	-87

### 3.1 Selling and Administrative expenses

In the third quarter of year 2021, the Company's selling and administrative expenses were Baht 59 million decreased by 5% compared with the same period last year (Nine-month period of year 2021 was Baht 221 million increased by 7% compared with the same period last year). During the third quarter, the Company continues to manage expenses and allocate resources within the Company to maximum the efficiency in order to minimize expenses and still be able to conduct business normally in the current situation. However, for nine-month period, the expenses were increased because the Company had to pay back the property tax

which was collected from its tenants in advance in 2019. The pay back was due to the enforcement of Land and Building Tax Act B.E. 2562 (2019) to replace the collection of the House and Land Tax under the House and Land Tax Act, B.E. 2475 (1932), which requires for a lower collection rate.

### 3.2 (Gain) Unrealized loss from fair value adjustment

In the third quarter of year 2021, the Company's unrealized loss on changes in fair value was Baht 1 million decreased by 50% compared with the same period last year (Nine-month period of year 2021 was Baht 2 million decreased by 96% compared with the same period last year). Since year 2020, the Company had recorded the unrealized loss on changes in value of investment of Baht 50 million from Fixed-Income fund which was terminated at the end of March 2020.

### 3.3 Financial cost

In the third quarter of year 2021, the Company's financial cost was Baht 33 million increased by 43% compared with the same period last year (Nine-month period of year 2021 was Baht 97 million increased by 52% compared with the same period last year). The Company had the cumulative effect of applying adopted TFRS16 about lease which has been effective since January 1, 2020 onwards.

### 3.4 Tax income (expenses)

In the third quarter of year 2021, the Company's income tax expenses were Baht 6 million same as last year (Nine-month period of year 2021 was Baht 7 million decreased by 87% compared with the same period last year). The tax income and expenses were varied proportionally with the Company's operating performance.

## 4. Profit for the period

Description	3-Month period				9-Month period			
	2021	2020	Variance		2021	2020	Variance	
	MB	MB	MB	%	MB	MB	MB	%
Profit (loss) for the period	(152)	(100)	(52)	-52	(424)	(131)	(293)	-224

In the third quarter of year 2021, the Company's loss was Baht 152 million increased by 52% compared with the same period last year (Nine-month period of year 2021 was Baht 424 million increased by 224% compared with the same period last year).

## 5. Financial status

Descriptions	September 30, 2021	December 31, 2020	Variance	
	MB	MB	MB	%
Total assets	11,397	11,571	(174)	-2
Total liabilities	3,511	3,265	246	8
Shareholder's equity	7,886	8,306	(420)	-5

### 5.1 Total assets

As of September 30, 2021, the Company's total assets were Baht 11,397 million decreased by Baht 174 million, or 2% compared with the end of 2020, with the following reasons:

- **Current assets** decreased by Baht 533 million, or 18% compared with the end of 2020. The decrease was due to decreasing of Baht 542 million from cash, cash equivalents, and other current financial assets which was caused by operating losses and construction cost of The Market Bangkok Phase II and Holiday Inn Resort Samui payment. Another decreasing of Baht 37 million was from trade and other receivables while other current assets increased by Baht 47 million.
- **Non-current assets** increased by Baht 359 million, or 5% compared with the end of 2020. The increase was due to increasing of Baht 305 million from Property, plant and equipment as Construction Work-in-Progress of Holiday Inn Resort Samui hotel which was recorded. The other non-current asset increased by Baht 163 million from advance payment for construction of The Market Bangkok phase II while property investment decreased by Baht 84 million. In addition, an intangible asset decreased by Baht 16 million mainly from amortization of the R-Walk Project

### 5.2 Total liabilities

As of September 30, 2021, the Company's total liabilities were Baht 3,511 million increased by Baht 246 million compared with the end of 2020 due to the increase of trade and other payables by Baht 286 million and net lease liability by Baht 37 million in consequence of TFRS16 lease accounting standard. On the other hand, short-term and long-term rental deposits decreased by Baht 78 million and contract liabilities decreased by Baht 45 million as recorded into rental income in year 2021. Other current liabilities increased by Baht 100 million.

### 5.3 Shareholders' equity

As of September 30, 2021, the Company's shareholder's equity was Baht 7,886 million decreased by Baht 420 million, or 5% compared with Shareholder's equity on December 31, 2020. The decrease was due to net loss of the Company's operating results for nine-month period of year 2021.

Please be informed accordingly.

Sincerely yours,

Mr. Teerath Pratumswan

Chief Financial Officer

Investor Relations

Tel: 02-121-9999 ext. 55

Fax: 02-121-9500