

Ref. No. PLAT 04/2022

February 28, 2022

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

To: The President

The Stock Exchange of Thailand

The Platinum Group Public Company Limited and its subsidiaries (the "Company") would like to report the performance for year 2021 ending December 31, 2021. The details are as follows:

The situation of the COVID-19 epidemic around the world that has occurred and has been prolonged for more than 2 years, causing a significant impact on the global economy throughout. Economic growth in a cross section of countries slowed sharply, including in Thailand. Especially, tourism industry has been heavily affected because travel restrictions are in place in all countries worldwide. Consequently, the supply chain of the tourism industry which is a large sector and involve many components continues to be affected. Despite the government's easing of lockdowns in the beginning of the year, the outbreak of Delta during the third quarter exacerbated the situation. The government announced another lockdown and as a result, the Company's shopping mall was temporarily closed according to the government announcement to restrict areas that are at risk of spreading disease during July to August for 51 days, resulting in a decrease in the Company's operating income, details are as follows:

1. Operating Revenue

In year 2021, the Company's total operating revenue was Baht 443 million, decreased by 479 or 52% compared with the same period last year. The details are as follows:

Unit: Million Baht

| Description | 2021 | 2020 | Change | |
|----------------------------------|------------|------------|--------------|--------------|
| | | | + / [-] | % YoY |
| Revenue from Rental and Services | 333 | 660 | (327) | - 50% |
| Revenue from Hotel Operation | 37 | 91 | (54) | - 59% |
| Revenue from Food and Beverage | 32 | 84 | (52) | - 62% |
| Other Revenue | 41 | 87 | (46) | - 53% |
| Total Revenue | 443 | 922 | (479) | - 52% |

1.1 Revenue from Rental and Services

The Company's rental and service income for the year 2021 was Baht 333 million, decreased by Baht 327 million or 50% compared with the same period last year. It was mainly due to the temporary closure of the Company's two shopping malls in the third quarter during July and August for 51 days according to government's measures to prevent COVID-19 outbreak. In the fourth quarter, when the shopping malls resumed back to normal, the Company continued 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

The Company's revenue from hotel operation for the year 2021 was Baht 37 million decreased by Million 54 Baht or 59% 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 has remained open, 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

The Company's revenue from food and beverage service for the year 2021 was Baht 32 million decreased by 52 or 62% compared with the same period last year. It was due to government measure to close shopping mall in the third quarter as mentioned above. In addition, the situation of the epidemic of Covid-19 that has not been resolved and the number of infected people has increased after the lockdown has been lifted. It also resulted in a significant drop in the number of people in the shopping mall. This caused the revenue from food and beverages was declined.

1.4 Other revenue

The Company's other revenue was Baht 41 million for the year 2021 decreased by Baht 46 million or 53% compared with the same period last year. This was mainly due to a decrease in profit from selling investments in trading securities because the Company has continuously invested in the project as set forth.

2. Total cost

In year 2021, the Company's total cost was Baht 548 million, decreased by Baht 67 million or 11% compared with the same period last year. The details of the Company's cost are shown in the table below:

Unit: Million Baht

| Description | 2021 | 2020 | Change | |
|-----------------------------|------------|------------|-------------|--------------|
| | | | + / [-] | % YoY |
| Cost of Rental and Services | 439 | 468 | (29) | - 6% |
| Cost of Hotel Operation | 74 | 73 | 1 | 1% |
| Cost of Food and Beverage | 35 | 74 | (39) | - 53% |
| Total Cost | 548 | 615 | (67) | - 11% |

2.1 Cost of Rental and Services

The Company's cost of rental and services for the year 2021 was Baht 439 million decreased by Baht 29 million or 6% 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

The Company's cost of hotel operation was Baht 74 million increased by Baht 1 million or 1% 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

The Company's cost of food and beverage was Baht 35 million decreased by Baht 39 million or 53% 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

Unit: Million Baht

| Description | 2021 | 2020 | Change | |
|---|------|------|---------|-------|
| | | | + / [-] | % YoY |
| Selling and administrative expenses | 273 | 263 | 10 | 4% |
| (Gain) Unrealized loss from fair value adjustment | 1 | 52 | (51) | - 98% |
| Financial cost | 130 | 86 | 44 | 51% |
| Tax income (expenses) | 7 | 60 | (53) | - 88% |

3.1 Selling and Administrative expenses

The Company's selling and administrative expenses were Baht 273 million increased by Baht 10 million or 4% compared with the same period last year. In year 2021, 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

The Company's unrealized loss on changes in fair value was Baht 1 million decreased by Baht 51 million or 98% compared with the same period last year. In the year 2020, the Company recorded a loss from revaluation of investment, as at the date that the fund termination amounting to Baht 38 million, in the statement of comprehensive income for the year. However, the Company received the return of said investment which is the final refund from the liquidation of the said fund in the third quarter of 2021.

3.3 Financial cost

The Company's financial cost was Baht 130 million increased by Baht 44 million or 51% 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)

The Company's income tax expenses were Baht 7 million decreased by Baht 10 million or 88% compared with the same period last year. The tax income was varied proportionally with the Company's operating performance.

4. Profit (loss) for the period

Unit: Million Baht

| Description | 2021 | 2020 | Change | |
|------------------------------|-------|-------|---------|---------|
| | | | + / [-] | % YoY |
| Profit (loss) for the period | (506) | (250) | (256) | - 102 % |

The Company's loss was Baht 506 million increased by Baht 256 Million of 102% compared with the same period last year.

5. Financial status

Unit: Million Baht

| Descriptions | December 31, 2021 | December 31, 2020 | Change | |
|----------------------|-------------------|-------------------|---------|-------|
| | | | + / [-] | % YoY |
| Total assets | 11,563 | 11,571 | (8) | -0% |
| Total liabilities | 3,759 | 3,265 | 494 | 15% |
| Shareholder's equity | 7,804 | 8,306 | (502) | - 6% |

5.1 Total assets

As of December 31, 2021, the Company's total assets were Baht 11,563 million decreased by Baht 8 million, or 0% compared with the end of 2020 due to the decrease of current assets at Baht 616 million and the increase of non-current assets at Baht 608 million.

5.2 Total liabilities

As of December 31, 2021, the Company's total liabilities were Baht 3,759 million increased by Baht 494 million compared with the end of 2020 due to the increase of trade and other payables by Baht 501 million and net lease liability by Baht 50 million in consequence of TFRS16 lease accounting standard. On the other hand, short-term and long-term rental deposits decreased by Baht 88 million and performance guarantee decreased by Baht 44 million as well as current and non-current liabilities deriving from the contract decreased by Baht 77 million. In addition, short-term loans from financial institutions increased by Baht 100 million.

5.3 Shareholders' equity

As of December 31, 2021, the Company's shareholder's equity was Baht 7,804 million decreased by Baht 502 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 the year 2021.

Please be informed accordingly.

Sincerely yours,

Ms.Suthita Chotjurangkool

Director and Authorized Person for Information Disclosure

Investor Relations

Tel: 02-121-9999 ext. 55

Fax: 02-121-9500