

Ref. No. PLAT 08/2022

May 10, 2022

Subject: Management Discussion & Analysis (MD&A) of the Company and its subsidiaries for the first quarter of 2022

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 ended March 31, 2022 (first quarter of 2022). The details are as follows:

The epidemic situation of the Coronavirus Disease 2019 (COVID-19), that has occurred around the world and has continued for more than 2 years, has caused the economic slowdown and affected many businesses and industries including the Company's business activities. Although the government has eased lockdown measures to control the spread of the disease and begun to reopen the country to foreign tourists since November 1, 2021, there was a new outbreak of the COVID-19 Omicron Variant during December 2021. As a result, the government has periodically adjusted the measures according to the situation in order to support the full country reopening plan in parallel to the declaration of COVID-19 as an endemic disease to attract more foreign tourists into the country. Such events have affected the Company's operating results. The details are as follows.

1. Operating Revenues

The Company's total operating revenues for the first quarter of 2022 was Baht 108 million, decreased by Baht 33 million or 23% compared to the same period last year. The details are as follows:

Description	Q1 2022		Q1 2021		Variance	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	%
Revenues from Rental and Services	65	60%	115	82%	(50)	(43%)
Revenues from Hotel Operations	24	22%	6	4%	18	300%
Revenues from Food and Beverage	13	12%	12	8%	1	8%
Other Revenues	6	6%	8	6%	(2)	(25%)
Total Revenues	108	100%	141	100%	(33)	(23%)

1.1 Revenues from Rental and Services

The Company's revenues from rental and services for the first quarter of 2022 was Baht 65 million, decreased by Baht 50 million or 43% compared to the same period last year, mainly due to the epidemic situation of the COVID-19 that has occurred around the world and has continued for more than 2 years as mentioned above. As a result, some tenants of both shopping centers of the Company decided to cancel and not renew the lease agreements. In addition, the Company still continues to provide discounts on rental and service fees to affected leasees to reduce their expense burden. Therefore, the Company's revenues from rental and services significantly reduced, compared to the same period last year.

1.2 Revenues from Hotel Operations

The Company's revenues from hotel operations for the first quarter of 2022 was Baht 24 million, increased by Baht 18 million or 300% compared to the same period last year, mainly because the Company has adjusted the strategy to support domestic tourism by focusing more on local customers for both leisure and business travels. In addition, the Company has also participated in various government tourism promotions and stimulation projects such as "Rao Tiew Duay Gan" campaign by doing it in conjunction with the Company's own promotions. In addition, due to the government's relaxation of COVID-19 lockdown measures to reopen the country to foreign tourists, the number of foreign customers has gradually increased.

1.3 Revenues from Food and Beverage

The Company's revenues from food and beverage for the first quarter of 2022 was Baht 13 million, slightly increased by Baht 1 million or 8% compared to the same period last year.

1.4 Other Revenues

The Company's other revenues for the first quarter of 2022 was Baht 6 million, decreased by Baht 2 million or 25% compared to the same period last year, mainly due to loss from selling investment in mutual funds to switch to investing in other mutual funds that offer more consistent returns and in accordance with the current market conditions.

2. Total Cost

The Company's total cost for the first quarter of 2022 was Baht 148 million, decreased by Baht 2 million or 1% compared to the same period last year. The details are as follows:

Description	Q1 2022		Q1 2021		Variance	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	%
Cost of Rental and Services	116	78%	118	79%	(2)	(2%)
Cost of Hotel Operations	20	14%	20	13%	-	-
Cost of Food and Beverage	12	8%	12	8%	-	-
Total Costs	148	100%	150	100%	(2)	(1%)

2.1 Cost of Rental and Services

The Company's cost of rental and services for the first quarter of 2022 was Baht 116 million, decreased by Baht 2 million or 2% compared to the same period last year. The details are as follows:

- Depreciation and amortization cost for the first quarter of 2022 was Baht 69 million, no change from the same period of last year because it is fixed cost.
- Land and building tax for the first quarter of 2022 was Baht 7 million, increased by Baht 6.4 million compared to the same period last year because the government did not extend 90% land and building tax discount as same as last year.
- Other costs of rental and services for the first quarter of 2022 was Baht 40 million, decreased by Baht 9 million or 18% compared to the same period last year. The Company has continuously managed operating costs more efficiently, to be in line with lower revenues from rental and services, by reducing operating expenses such as utilities expenses, some outsourced service provider expenses i.e., security guard and cleaning staff according to the level of functioning that could be adjusted, in order to manage costs as efficiently as possible.

2.2 Cost of Hotel Operations

The Company's cost of hotel operations for the first quarter of 2022 was Baht 20 million, no change from the same period last year, although revenues from hotel operations increased because the Company has managed and controlled operating expenses as efficiently as possible.

2.3 Cost of Food and Beverage

The Company's cost of food and beverage for the first quarter of 2022 was Baht 12 million, no change from the same period last year, which is aligned with revenues from food and beverage.

3. Expenses

Description	Q1 2022	Q1 2021	Variance	
	Million Baht	Million Baht	Million Baht	%
Selling and Administrative Expenses	57	96	(39)	(41%)
Finance Cost	33	32	1	3%
Income Tax Expense	5	3	2	67%

3.1 Selling and Administrative Expenses

The Company's selling and administrative expenses for the first quarter of 2022 was Baht 57 million, decreased by Baht 39 million or 41% compared to the same period last year. In 2021, the expenses were increased mainly because the Company had to pay back the property tax which was collected from its tenants in advance since 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 a lower collection rate.

3.2 Finance Cost

The Company's finance cost for the first quarter of 2022 was Baht 33 million, slightly increased by Baht 1 million or 3% compared to the same period last year, mainly due to interest recognition according to TFRS16 about lease as well as interest payment for short-term loan from bank.

3.3 Income Tax Expense

The Company's income tax expense for the first quarter of 2022 was Baht 5 million, increased by Baht 2 million or 67% compared to the same period last year due to deferred tax. The Company had no interim corporate income tax.

4. Profit (Loss) for the Period

Description	Q1 2022	Q1 2021	Variance	
	Million Baht	Million Baht	Million Baht	%
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	(13)	(14)	1	7%
Profit (Loss) for the Period	(135)	(136)	1	1%

The Company's loss before depreciation, amortization, finance income & cost and income tax (EBITDA) for the first quarter of 2022 was Baht 13 million, slightly decreased by Baht 1 million or 7% compared to the same period last year.

The Company's loss for the period for the first quarter of 2022 was Baht 135 million, slightly decreased by Baht 1 million or 1% compared to the same period last year.

5. Financial Position

Description	March 31, 2022		December 31, 2021		Variance	
	Million Baht	Proportion	Million Baht	Proportion	Million Baht	%
Total Assets	11,843	100%	11,563	100%	280	2%
Total Liabilities	4,174	35%	3,759	33%	415	11%
Shareholder's Equity	7,669	65%	7,804	67%	(135)	(2%)

5.1 Total Assets

As at March 31, 2022, the Company's total assets were Baht 11,843 million, increased by Baht 280 million or 2% compared to the end of 2021, due to the following reasons:

- **Current assets** decreased by Baht 208 million, mainly due to decrease in cash, cash equivalents and other current financial assets which was caused by payment for construction costs of The Market Bangkok Phase II (including "PIER 111" office building and Moxy Hotel Bangkok Ratchaprasong) and Holiday Inn Resort Samui as well as operating loss for the period.

- **Non-current assets** increased by Baht 488 million, mainly due to costs of construction in progress of The Market Bangkok Phase II and Holiday Inn Resort Samui.

5.2 Total Liabilities

As at March 31, 2022, the Company's total liabilities were Baht 4,174 million, increased by Baht 415 million or 11% compared to the end of 2021, mainly because of increase in trade and other payables which was caused by construction payables of The Market Bangkok Phase II and Holiday Inn Resort Samui.

5.3 Shareholder's Equity

As at March 31, 2022, the Company's shareholder's equity was Baht 7,669 million, decreased by Baht 135 million or 2% compared to the end of 2021 due to net loss for the period.

Please be informed accordingly.

Sincerely yours,

Mr.Pichai Yimjaipoonsup
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