

May 17, 2022

The President & Director,

The Stock Exchange of Thailand (SET)

**LETTER OF CLARIFICATION for CENTEL's Operating Performance Results
for Q1/2022**

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-month period ended March 31, 2022, (Q1/2022) with the following details:

1. Overview of the tourism industry in Thailand, the Maldives and Dubai
 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 2022
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1. Overview of the tourism industry in Thailand, the Maldives, and Dubai

1.1 The tourism industry in Thailand

The total number of international tourist arrivals in Q1/2022 was 497,693 (Q1/2021: 20,172) – a growth of 24 times compared to the same period last year. The recovery was a result of the Government continually lifting Travel restrictions since February 2022. Consequently, the number of tourist arrivals significantly increased YoY. The top three tourist arrivals were Russian, German, and the British at 10%, 9%, and 8% of total tourist arrivals, respectively.

1.2 The tourism industry in the Maldives

The total number of international tourist arrivals in Q1/2022 was 431,520 – compared to 298,570 or an increase of 45% YoY. The top three arrivals were Russian, the British and Indian at 12%, 12%, and 11% of total tourist arrivals, respectively.

1.3 The tourism industry in Dubai

The total number of international tourist arrivals in Q1/2022 significantly recovered to 3.97 million from 1.27 million or a growth of 213% compared to the same period last year. The top three arrivals were Oman, Indian, and Saudi at 12%, 9%, and 8% of total tourist 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 Q1/2022 and Q1/2021

(Amount - in Baht Million)	Q1/2022		Q1/2021		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	1,249	32%	501	18%	748
Revenues - food business	2,633	68%	2,273	82%	360	16%
Total revenues	3,882	100%	2,774	100%	1,108	40%
Cost of sales - hotel business	(434)	-11%	(212)	-8%	222	105%
Cost of sales - food business	(1,114)	-29%	(928)	-33%	186	20%
Total cost of sales⁽¹⁾	(1,548)	-40%	(1,140)	-41%	408	36%
Selling & General Administrative Expenses	(1,383)	-36%	(1,139)	-41%	244	21%
Share of Loss - Investments (by the equity method)	0	0%	(9)	0%	9	100%
Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)	951	24%	486	18%	465	96%
Depreciation & Amortization	(767)	-20%	(810)	-29%	(43)	-5%
Profit (Loss) before Interest and Taxes (EBIT)	184	5%	(324)	-12%	508	157%
Finance Costs ⁽²⁾	(172)	-4%	(165)	-6%	7	4%
Corporate Tax Income (Expenses)	(35)	-1%	9	0%	(44)	-489%
Loss (Profit) from Non-Controlling Interests	(21)	-1%	5	0%	(26)	-520%
Net Loss	(44)	-1%	(475)	-17%	431	91%

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

⁽²⁾ Finance costs excluding interest expenses related to the leases are Baht 86 million in Q1/22 (Q1/21: Baht 66 million)

Q1/2022: The Company achieved total revenues of Baht 3,882 million (Q1/2021: Baht 2,774 million) an increase of Baht 1,108 million (or a rise of 40% YoY) An increase in revenue was from both the food and hotel businesses, as a result of the country re-opening and lifting the restrictions to prevent the COVID-19 pandemic. The proportion of total revenues between the hotel business and the food business was 32%:68% (Q1/2021: 18%:82%); while Gross Profit was Baht 2,130 million, an increase of 38% YoY. A Gross Profit Margin improved

from 57% of the revenues (excluding other income) in Q1/2021 to 58% in Q1/2022 because of the recovery of the hotel business. The Company achieved an Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) of Baht 951 million, (Q1/2021: Baht 486 million), an increase of Baht 465 million (or 96% YoY) compared to last year. An EBITDA margin of 24% was an increase compared to last year (Q1/2021: 18%). The Company had a Net Loss of Baht 44 million, an improvement of 91% YoY (Q1/21: Net Loss of Baht 475 million).

2.2 Analysis of the Operating Results for each respective Business Group

2.2.1 Hotel Business

As of March 31, 2022, the Company had hotels under management in a total of 89 hotels (18,751 rooms); with 47 hotels (9,481 rooms) already in operation together with other 42 hotels (9,270 rooms) still under development. Of the 47 hotels already in operation, 19 hotels (5,050 rooms) are owned and operated by the Company, with the other 28 hotels (4,431 rooms) being operated under the Company's Hotel Management Agreements.

As of March 31, 2022, there was a total of 40 operating hotels with 16 owned hotels and 24 managed hotels with the following details:

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
10	Centara Villas Phuket	72	Thailand
11	Centara Reserve Samui	184	Thailand
12	Centara Villas Samui	102	Thailand
13	Centara Grand Beach Resort Villas Krabi	192	Thailand
14	Centra by Centara Mae Sot	113	Thailand

15	Centara Mirage Beach Resort Dubai	607	Dubai
16	Centara Hotel Hat Yai	247	Thailand
	Total	4,402	

Number	Managed hotels	Rooms	Country
1	Centara Koh Chang Tropicana Resort	157	Thailand
2	Centara Chuan 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	Centra by Centara Cha Am Beach Resort Hua Hin	188	Thailand
9	Centara Ceysands Resort & Spa Sri Lanka	165	Sri Lanka
10	Centara Muscat Hotel Oman	152	Oman
11	Muscat Dunes Hotel managed by Centara	78	Oman
12	Centara West Bay Hotel & Residences Doha	172	Qatar
13	Centra by Centara Maris Resort Jomtien	282	Thailand
14	Centara Ao Nang Beach Resort & Spa Krabi	179	Thailand
15	Roukh Kiri Khaoyai	12	Thailand
16	Centara Sonrisa Residences & Suites Sriracha	145	Thailand
17	Centara Mirage Resort Mui Ne	984	Vietnam
18	COSI Krabi Ao Nang Beach	142	Thailand
19	Maikhao Dream Villa Resort & Spa, Centara Boutique Collection	22	Thailand
20	Centara Pattaya	226	Thailand
21	Centara Azure Pattaya	96	Thailand
22	Maikhao Hotel Managed by Centara	142	Thailand
23	Waterfront Suites Phuket, Managed By Centara	39	Thailand
24	Al Hail Waves Hotel managed by Centara	64	Oman
	Total	4,112	

Operations Results - Hotel Business (for owned hotels) Q1/2022

Occupancy Rate (OCC) %	Total Operating Performance		
	Q1/2022	Q1/2021	% Changes YoY
Bangkok	31%	13%	18% pts.
Upcountry	24%	8%	16% pts.
Maldives	86%	76%	10% pts.
Dubai	73%	-	73% pts.
Thailand - Average	26%	10%	16% pts.
Total - Average (Excluded Dubai)	29%	14%	15% pts.
Total - Average	35%	14%	21% pts.

Average Room Rate - ARR (Baht)	Total Operating Performance		
	Q1/2022	Q1/2021	% Changes YoY
Bangkok	2,496	1,752	42%
Upcountry	3,879	3,305	17%
Maldives	17,016	9,366	82%
Dubai	5,719	-	NA
Thailand - Average	3,378	2,621	29%
Total - Average (Excluded Dubai)	5,639	4,886	15%
Total - Average	5,660	4,886	16%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	Q1/2022	Q1/2021	% Changes YoY
Bangkok	764	227	237%
Upcountry	923	262	252%
Maldives*	14,558	7,109	105%
Dubai	4,203	-	NA
Thailand - Average	874	250	250%
Total - Average (Excluded Dubai)	1,650	660	150%
Total - Average	1,957	660	197%

*Total revenue per available rooms in USD (TRevPar) increased by 62%

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

Operating Performance - Hotel Business Q1/2022

Hotel Business (In Baht Million)	Q1/2022	Q1/2021	% Changes YoY
Revenues - Hotel Business operations	1,062	439	142%
Total Revenues (including other income)	1,249	501	149%
Gross Profit	628	227	177%
% Gross Profit Margin	59%	52%	7% pts.
EBITDA / (Loss)	324	(95)	441%
% EBITDA / (Loss) Margin	26%	-19%	45% pts.
Net Loss	(149)	(500)	70%
% Net Loss	-12%	-100%	88%

• Q1/2022:

In Q1/2022, overseas hotels continually reported strong performance. The Maldives was in high season. While Joint-venture hotel in Dubai had a high occupancy rate from the positive impact of the World Expo from October 1, 2021, to March 31, 2022. Thailand also has had the noticeable benefit of constantly easing travel restrictions. Overall RevPAR grew by 197% YoY to be at Baht 1,957. While the Occupancy Rate (OCC) increased from 14% to 35% in Q1/2022, the Average Room Rate (ARR) increased by 16% YoY to Baht 5,660.

- Bangkok: RevPar increased by 237% to be Baht 764, the Occupancy Rate (OCC) increased from 13% to 31% and the Average Room Rate (ARR) increased by 42% YoY to Baht 2,496. The improved performance in Bangkok was partially gained from the recovery of Meetings, Incentive Travel, Conventions, and Exhibitions (MICE) due to the ease in COVID-19 preventive measurements as being stipulated by the Government, compared to last year.
- Upcountry: RevPar grew by 252% to be Baht 923 as a result of an increase in the Occupancy Rate from 8% to 24%, and the Average Room Rate (ARR) increased by 17% YoY to Baht 3,879. The recovery of hotels in the upcountry was mainly due to the performance of hotels in Phuket and Krabi, together with re-opening of the hotel at Samui.
- Overseas: Included hotels in Maldives and Dubai, the RevPar was Baht 7,241, an increase of 2% YoY, and the Occupancy rate increased from 76%

to 77%. The Maldives reported the Occupancy rate at 86% and RevPar at Baht 14,558 with a growth of 105% YoY (TRevPAR growth of 62% YoY), while Dubai had the Occupancy at 73% and RevPar of Baht 4,203.

Total hotel revenue was Baht 1,249 million in Q1/2022, an increase of Baht 748 million (or 149% YoY) from the same period last year. An increase in revenue was from the hotels in Thailand, particularly 5-star hotels, and the re-opening of Centara Reserve Samui; while, the resorts in Maldives having the positive impact of country re-opening of key source markets and operating in high season. In overall, the impact of the Omicron variant to the tourism was less severe than the same period last year.

- o The Company had a Gross Profit of Baht 628 million (Q1/2021: Baht 227 million), an increase of 177% YoY. The Gross Profit margin was 59% of the hotel's revenue (Q1/2021: 52%). The Company had an EBITDA of Baht 324 million (Q1/2021: EBITDA of Baht -95 million), an increase of Baht 419 million or 441% YoY. The Earnings before Interest, Taxes, Depreciation, and Amortization margin (%EBITDA margin) was 26% (Q1/2021: -19%). The Company had a Net Loss of Baht 149 million, a decreased Net Loss of Baht 351 million or 70% YoY.
- o Even though the hotel's revenue and EBITDA in Q1/2022 grew compared to Q4/2021 (QoQ), a Net Loss increased from Q4/2021 due mainly to Corporate Tax Expenses increased by Baht 105 million from Corporate Tax Income of Baht 95 million in Q4/2021 as a result of an increase in Deferred Tax Asset arising from Net Loss Carryforward at the end of last year. While the Company had Corporate Tax Expenses of Baht 10 million in Q1/2022 with an increase in Deferred Tax Liability.

2.2.2 Food Business

Operating Results - Food Business Q1/2022

Same Store Sales growth (SSS)	Q1/2022	Q1/2021
Top 4 brands	9%	-23%
Other brands*	15%	-23%
Total Average	10%	-23%

Total Systems Sales growth (TSS)	Q1/2022	Q1/2021
Top 4 brands	13%	-21%
Other brands*	28%	-14%
Total Average	15%	-20%

*Excluded Joint ventures and Café Amazon - Vietnam

Number of QSR Outlets	Q1/2022	Q1/2021
KFC	304	289
Mister Donut	431	371
Auntie Anne's	196	193
Ootoya	46	47
Pepper Lunch	48	46
Cold Stone Creamery	16	17
The Terrace ⁽¹⁾	7	10
Chabuton	16	17
Yoshinoya	28	20
Tenya	13	14
Katsuya	50	40
Aroi Dee	34	23
Kowlune	1	9
Arigato	133	54
Grab Kitchen by Every Food	24	10
Joint ventures' brands		
Salad Factory ⁽²⁾	22	13
Brown Café	13	11
Café Amazon - Vietnam ⁽²⁾	10	5
Som Tum Nua	6	-
Total	1,398	1,189

⁽¹⁾ Excluded managed outlets

⁽²⁾ Presented as Joint ventures in Financial Statement

Food Business (in Baht Million)	Q1/2022	Q1/2021	% Changes YoY
Sales Revenues	2,616	2,240	17%
Total Revenues (including other income)	2,633	2,273	16%
Gross Profit	1,502	1,311	15%
% Gross Profit Margin	57%	59%	-2%
EBITDA	627	581	8%
% EBITDA	24%	26%	-2%
Net Profit	105	25	338%
% Net Profit	4%	1%	3%

- For Q1/2022, The food business achieved a Total Revenues of Baht 2,633 million, an increase of Baht 360 million (or a rise of 16% YoY). The revenue growth had been driven by many factors such as the constant lifting of the Government's lockdown policy, less concern on COVID-19 infections due to an increase in vaccination rates, and less impact of the pandemic from Omicron variant than Delta variant. Consequently, consumers were feeling more comfortable dining out. Additionally, the Company regularly launched promotions to drive sales of dine-in, takeaway, and delivery, together with the positive impact of the stimulus scheme "Shop Dee Mee Kuen" (Shop and Payback) caused the Company's sales growth in every distribution channel as mentioned. In Q1/2022, the Same Store Sale (%SSS) increased by 10% YoY, as a result of an increase in the top 4 brands by 9% and others by 15%. At the end of Q1/2022, the Company had a total of 1,398 outlets, a net increase of 209 outlets compared to the same period last year. The number of outlets mainly increased from Arigato (+79), Mister Donut (+60), KFC (+15), Grab Kitchen by Every Food (+14), and Joint Ventures' brands (+22).
- The Company had Gross Profit of Baht 1,502 million (Q1/2021: Baht 1,311 million), a growth of 15% YoY. While a Gross Profit dropped to 57% of food revenue (Q1/2021: 59%, Q4/2021: 60%) as a result of price inflation on raw materials and transportation. However, the Company had the Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) increase to Baht 627 million, or a growth of 8% YoY driven by revenue growth. %EBITDA was at 24% (%EBITDA Q1/2021 and Q4/2021: 26%). The Company had a Net Profit of Baht 105 million, an increase of 338% YoY.

3. Financial Status

Financial Position and Cash Flows

As of March 31, 2022, the Company had Total Assets of Baht 48,300 million, a decrease of Baht 293 million (or 1% YoY) compared to the end of 2021, due mainly to a decrease in right-of-use assets of Baht 449 million and a decline in property, plant, and equipment totaling of Baht 196 million, while cash and cash equivalents were increased by Baht 135 million and a rise of trade and other receivables of Baht 199 million.

Total Liabilities were Baht 29,894 million, a decrease of Baht 267 million or 1% compared to the end of 2021. The decreases in total Liabilities were mainly from a decrease in long-term lease liabilities, net of current portion of Baht 399 million, a decrease in trade and other payables of Baht 170 million, and a decline in bank overdrafts and short-term loans from financial institutions of Baht 172 million. While long-term loans from financial institutions, net of current portion increased by Baht 571 million.

The Company had Total Shareholders' Equity of Baht 18,406 million, a decrease from the end of 2021 of Baht 25 million, resulting from a decrease in unappropriated retained earnings of Baht 44 million, while non-controlling interests of the subsidiaries increased by Baht 19 million.

As of March 31, 2022, the Company had Net Cash from Operating activities totaling Baht 574 million, an increase of Baht 297 million YoY; together with Net Cash used in Investing activities of Baht 339 million, a decrease of Baht 427 million (or 56% YoY), which mainly consisted of payments to purchase property, plant and equipment including intangible assets totaling Baht 308 million, and cash paid for investing and lending to joint ventures of Baht 45 million. While the Company had Net Cash used in Financing activities totaling Baht 108 million, a decrease of Baht 540 million YoY, which was mainly from Cash paid for long-term lease liabilities of Baht 442 million, Cash paid for bank overdrafts and short-term loans from financial institutions of Baht 169 million and Cash paid for long-term loans from financial institutions of Baht 143 million being netted-off with an increase in long-term loans from financial institutions of Baht 800 million.

Analysis of Financial Ratios

Financial Ratios	Q1/2022	Year 2021
Current Ratio (times)	0.7	0.6
Interest Bearing Debt / Equity (times)	1.3	1.3
Interest Bearing Debts (excluding lease liabilities) / Equity (times)	0.9	0.9

As of March 31, 2022, the Company's current ratio at 0.7 times, an improvement compared to the end of 2021. Interest Bearing Debts / Equity Ratio maintained at 1.3 times compared to the same period last year. The Company had Interest Bearing Debts (excluding liabilities related to lease) / Equity of 0.9 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 2022:

Hotel Business: Cost-efficient management and prudent investment plans are the key strategies under uncertain circumstances. The Company is cautiously monitoring and managing the liquidity to ensure that it is at the optimal level and to secure short/long-term loans from financial institutions to support sufficient needs from unexpected situations.

In 2022, the Company will recognize 1st full year of operation from 2 new hotels:

- Centara Mirage Beach Resort Dubai with 607 keys in 4-star category. The Company holds 40% in this hotel investment project and the investment is accounted for in the consolidated financial statements using the equity method. On the other hand, the management fees are fully booked into other income.
- Centara Reserve Samui is a luxury resort with 184 keys and the full performance of this resort is consolidated in the consolidated financial statements.

Food Business: Even though the situation of COVID-19 is expected to be getting better. The Company continues monitoring the situation and has made plans to effectively encounter the ongoing uncertainties with regard to having appropriate liquidity management. The strategy is focusing on 3 key operational aspects; namely: generating sales revenues, decreasing costs and expenses, and being cautious and prudent regarding business expansion and investment projects.

In 2022, the Company will recognize the revenue from a new brand as follows:

- Shinkanzen Sushi and Senma Sushi Restaurants with currently 38 outlets in operation, the Company acquired 51% ownership on May 3, 2022, and the investment will be accounted for in the consolidated financial statements using the equity method..

- Business trends for 2022

- Hotel Business: Although negative factors still remains to impact tourism such as the Russia-Ukraine conflict, differences in policy and COVID-19 preventive measurements by each key source markets, and uncertainty about the recovery of the global economy, the positive impact of the ease of travel restrictions could apparently draw demand for international tourists. Therefore, the Company foresees occupancy rate in 2022 (including the hotel in Dubai) in range of 40% - 50%, and Revenue per Available Room (RevPAR) would be approximately Baht 1,700 - 1,900.
- Food Business: In 2022, the Company foresees Same Store Sale (SSS) Growth between 10% to 15% YoY and Total System Sale (TSS) Growth between 20% to 25% YoY. For the outlet expansion, the Company estimates a net increase in the number of outlets of 180-200 outlets. However, the business performance partially depends on the Government measures, the pandemic of the COVID-19 situation, economic recovery, and economic activities. Regarding cost management, despite raw material costs being pressured by supply chain bottlenecks and the consequence of the Russia-Ukraine conflict, the Company continually negotiates with suppliers to find alternative sources and also uses a raising price strategy to reflect cost-push inflation. However, the Company's goal is to optimize the balance between customer value and the Company profitability.

For your information accordingly;

Respectfully Yours,



(Mr. Gun Srisompong)

CFO & VP Finance and Administration