

Ref. No. PLAT 11/2022

August 9, 2022

Subject: Management Discussion & Analysis (MD&A) of the Company and its subsidiaries for the second 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 the three-month and six-month periods ended June 30, 2022 (second quarter of 2022). The details are as follows:

The epidemic situation of the Coronavirus Disease 2019 (COVID-19) has caused the economic slowdown and affected many businesses and industries including the Company's business activities as follows.

- **Shopping center space rental business**

Due to changes in domestic consumer spending behaviors and the number of foreign tourists has not returned to normal, the Company has periodically offered discounts on rental and service fees to affected lessees to reduce their expense burden. However, the business tends to gradually recover due to positive factors from people returning to live normal daily life as a result of relaxation of the disease control measures as well as gradual recovery of tourism sector. As a result, businesses targeting foreign tourists began to recover.

- **Hotel business and food center business**

The operations of the hotel and food court business are showing signs of significant improvement, especially during the second quarter of 2022 due to the government's travel easing measures. As a result, the number of foreign customers has increased although the number of foreign tourists has not returned to normal when compared to the pre-COVID-19 epidemic situation.

1. Operating Revenues

Ended June 30, 2022, the Company's total operating revenues for the three-month period was Baht 169 million, increased by Baht 67 million or 66% and for the six-month period was Baht 277 million, increased by Baht 33 million or 14% compared to the same period last year. The details are as follows:

| Description | Three-Month Period | | | | Six-Month Period | | | |
|-----------------------------------|--------------------|------------|-----------|------------|------------------|------------|-----------|------------|
| | 2022 | 2021 | Variance | | 2022 | 2021 | Variance | |
| | MB | MB | MB | % | MB | MB | MB | % |
| Revenues from Rental and Services | 83 | 87 | (4) | (5%) | 148 | 202 | (54) | (27%) |
| Revenues from Hotel Operations | 56 | 4 | 52 | 1,300% | 80 | 11 | 69 | 627% |
| Revenues from Food and Beverage | 25 | 6 | 19 | 317% | 38 | 18 | 20 | 111% |
| Other Revenues | 5 | 5 | - | - | 11 | 13 | (2) | (15%) |
| Total Revenues | 169 | 102 | 67 | 66% | 277 | 244 | 33 | 14% |

1.1 Revenues from Rental and Services

Ended June 30, 2022, the Company's revenues from rental and services for the three-month period was Baht 83 million, decreased by Baht 4 million or 5% and for the six-month period was Baht 148 million, decreased by Baht 54 million or 27% 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 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 reduced, compared to the same period last year.

1.2 Revenues from Hotel Operations

Ended June 30, 2022, the Company's revenues from hotel operations for the three-month period was Baht 56 million, increased by Baht 52 million or 1,300% and for the six-month period was Baht 80 million, increased by Baht 69 million or 627% 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 measures to reopen the country to foreign tourists, the number of foreign customers has significantly increased, especially during the second quarter of 2022.

1.3 Revenues from Food and Beverage

Ended June 30, 2022, the Company’s revenues from food and beverage for the three-month period was Baht 25 million, increased by Baht 19 million or 317% and for the six-month period was Baht 38 million, increased by Baht 20 million or 111% compared to the same period last year, mainly due to the government’s relaxation of COVID-19 lockdown measures and travel easing measures to reopen the country to foreign tourists. As a result, the number of both local and foreign customers has significantly increased, especially during the second quarter of 2022.

1.4 Other Revenues

Ended June 30, 2022, the Company’s other revenues for the three-month period was Baht 5 million, no change from the same period last year and for the six-month period was Baht 11 million, decreased by Baht 2 million or 15% compared to the same period last year, mainly due to volatility of the net asset value of mutual funds. Therefore, the Company has switched to invest in deposits with more consistent returns and in accordance with the current market conditions.

2. Total Cost

Ended June 30, 2022, the Company’s total cost for the three-month period was Baht 153 million, increased by Baht 8 million or 5% and for the six-month period was Baht 301 million, increased by Baht 7 million or 2% compared to the same period last year. The details are as follows:

| Description | Three-Month Period | | | | Six-Month Period | | | |
|-----------------------------|--------------------|------------|----------|-----------|------------------|------------|----------|-----------|
| | 2022 | 2021 | Variance | | 2022 | 2021 | Variance | |
| | MB | MB | MB | % | MB | MB | MB | % |
| Cost of Rental and Services | 105 | 119 | (14) | (12%) | 221 | 237 | (16) | (7%) |
| Cost of Hotel Operations | 28 | 18 | 10 | 55% | 48 | 38 | 10 | 26% |
| Cost of Food and Beverage | 20 | 8 | 12 | 150% | 32 | 19 | 13 | 68% |
| Total Costs | 153 | 145 | 8 | 5% | 301 | 294 | 7 | 2% |

2.1 Cost of Rental and Services

Ended June 30, 2022, the Company's cost of rental and services for the three-month period was Baht 105 million, decreased by Baht 14 million or 12% and for the six-month period was Baht 221 million, decreased by Baht 16 million or 7% compared to the same period last year. The details are as follows:

- Depreciation and amortization cost for the three-month period was Baht 70 million and for the six-month period was Baht 140 million, no change from the same period last year because it is fixed cost.
- Land and building tax for the three-month period was Baht 7 million, increased by Baht 6.4 million and for the six-month period was Baht 14 million, increased by Baht 12.8 million compared to the same period last year because the government did not extend 90% discount on land and building tax as same as last year.
- Other costs of rental and services for the three-month period was Baht 28 million, decreased by Baht 21 million or 43% and for the six-month period was Baht 67 million, decreased by Baht 29 million or 30% compared to the same period last year because 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 common service fee, utilities expenses, some outsourced service expenses i.e., cleaning service expense, security service expense and car parking management service expense 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

Ended June 30, 2022, the Company's cost of hotel operations for the three-month period was Baht 28 million, increased by Baht 10 million or 55% and for the six-month period was Baht 48 million, increased by Baht 10 million or 26% compared to the same period last year. Such increase is in accordance with the increase in revenue. However, the cost increased in a lower proportion than the increase in revenue because the Company has carried out cost control for maximum efficiency.

2.3 Cost of Food and Beverage

Ended June 30, 2022, the Company's cost of food and beverage for the three-month period was Baht 20 million, increased by Baht 12 million or 150% and for the six-month period was Baht 32 million, increased by Baht 13 million or 68% compared to the same period last year. Such increase is in accordance with the increase in revenue. However, the cost increased in a lower proportion than the increase in revenue because the Company has carried out cost control for maximum efficiency.

3. Expenses

| Description | Three-Month Period | | | | Six-Month Period | | | |
|-------------------------------------|--------------------|------|----------|------|------------------|------|----------|-------|
| | 2022 | 2021 | Variance | | 2022 | 2021 | Variance | |
| | MB | MB | MB | % | MB | MB | MB | % |
| Selling and Administrative Expenses | 63 | 66 | (3) | (5%) | 120 | 162 | (42) | (26%) |
| Finance Cost | 34 | 32 | 2 | 6% | 67 | 64 | 3 | 5% |
| Income Tax Expense | 4 | (2) | 6 | 300% | 9 | 1 | 8 | 800% |

3.1 Selling and Administrative Expenses

Ended June 30, 2022, the Company's selling and administrative expenses for the three-month period was Baht 63 million, slightly decreased by Baht 3 million or 5% compared to the same period last year and for the six-month period was Baht 120 million, decreased by Baht 42 million or 26% 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. Such 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

Ended June 30, 2022, the Company's finance cost for the three-month period was Baht 34 million, slightly increased by Baht 2 million or 6% and for the six-month period was Baht 67 million, slightly increased by Baht 3 million or 5% 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

Ended June 30, 2022, the Company's income tax expense for the three-month period was Baht 4 million, increased by Baht 6 million and for the six-month period was Baht 9 million, increased by Baht 8 million compared to the same period last year due to deferred tax relating to origination and reversal of temporary differences. The Company had no interim corporate income tax.

4. Profit (Loss) for the Period

| Description | Three-Month Period | | | | Six-Month Period | | | |
|--|--------------------|-------|----------|------|------------------|-------|----------|------|
| | 2022 | 2021 | Variance | | 2022 | 2021 | Variance | |
| | MB | MB | MB | % | MB | MB | MB | % |
| Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA) | 38 | (17) | 55 | 323% | 25 | (31) | 56 | 181% |
| Profit (Loss) for the Period | (82) | (135) | 53 | 39% | (217) | (271) | 54 | 20% |

Ended June 30, 2022, the Company's profit before depreciation, amortization, finance income & cost and income tax (EBITDA) for the three-month period was Baht 38 million, increased by Baht 55 million or 323% and for the six-month period was Baht 25 million, increased by Baht 56 million or 181% compared to the same period last year.

Ended June 30, 2022, the Company's loss for the three-month period was Baht 82 million, decreased by Baht 53 million or 39% and for the six-month period was Baht 217 million, decreased by Baht 54 million or 20% compared to the same period last year.

5. Financial Position

| Description | June 30, 2022 | | December 31, 2021 | | Variance | |
|----------------------|---------------|------------|-------------------|------------|----------|------|
| | MB | Proportion | MB | Proportion | MB | % |
| Total Assets | 12,109 | 100% | 11,563 | 100% | 546 | 5% |
| Total Liabilities | 4,522 | 37% | 3,759 | 33% | 763 | 20% |
| Shareholder's Equity | 7,587 | 63% | 7,804 | 67% | (217) | (3%) |

5.1 Total Assets

As at June 30, 2022, the Company's total assets were Baht 12,109 million, increased by Baht 546 million or 5% compared to the end of 2021, due to the following reasons:

- **Current assets** decreased by Baht 450 million, mainly due to 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.

- **Non-current assets** increased by Baht 996 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 June 30, 2022, the Company’s total liabilities were Baht 4,522 million, increased by Baht 763 million or 20% compared to the end of 2021, mainly because of increase in trade and other payables for Baht 686 million which was mainly caused by construction payables of The Market Bangkok Phase II and Holiday Inn Resort Samui.

5.3 Shareholder’s Equity

As at June 30, 2022, the Company’s shareholder’s equity was Baht 7,587 million, decreased by Baht 217 million or 3% compared to the end of 2021 due to net loss for the period.

Please be informed accordingly.

Sincerely yours,

Mr. Suwit Wannasirisook

Chief Financial Officer

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