

August 15, 2022

The President & Director,

The Stock Exchange of Thailand (SET)

**LETTER OF CLARIFICATION for CENTEL's Operating Performance Results
for the 3 months ended June 30, 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 months, ended June 30, 2022 (Q2/2022), 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

According to a gradual easing of international travel restrictions to prevent the pandemic of COVID-19 and the cancelation of Test & Go since May 1, 2022. Consequently, the total number of international tourist arrivals in Q2/2022 significantly increased to 1.6 million, a growth of 78 times YoY. The top three arrivals were from India, Malaysia, and Singapore with the contribution of 14%, 12%, and 7% of total arrivals respectively.



For 6 months 2022, total tourist arrivals were 2.1 million, an increase of 51 times YoY. The top three tourist arrivals were from India with the contribution of 11%, Malaysia at 10%, Singapore at 6% and the UK at 6% of total arrivals, respectively.

1.2 The tourism industry in the Maldives

The total number of international tourist arrivals in Q2/2022 was 381,691, a growth of 80% YoY. The top three arrivals were from India, the UK, and Germany with the contribution of 19%, 12%, and 9% of total arrivals, respectively.

For 6 months 2022, the total arrivals were 813,211, an increase of 59% compared to the same period last year. The top three tourists were from India, the UK, and Russia with the contribution of 15%, 12%, and 10% of total tourist arrivals, respectively.

1.3 The tourism industry in Dubai

The total number of international tourist arrivals in Q2/2022 was 3.15 million, an increase of 152% YoY. The top three arrivals were from India, Oman, and the UK with the contribution of 15%, 10%, and 7% of total arrivals, respectively.

For 6 months 2022, the total arrivals were 7.12 million, a growth of 183% compared to the same period last year. The top three tourists were from India, Oman, and Saudi Arabia with the contribution of 12%, 11%, 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 Q2/2022 and Q2/2021

(Amount - in Baht Million)	Q2/2022		Q2/2021		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	1,421	33%	322	12%	1,099
Revenues - food business	2,919	67%	2,368	88%	551	23%
Total revenues	4,340	100%	2,690	100%	1,650	61%
Cost of sales - hotel business	(522)	-12%	(192)	-7%	330	172%
Cost of sales - food business	(1,236)	-28%	(963)	-36%	273	28%
Total cost of sales ⁽¹⁾	(1,758)	-41%	(1,155)	-43%	603	52%
Selling & General Administrative Expenses	(1,572)	-36%	(1,220)	-45%	352	29%
Share of Loss - Investments (by the equity method)	(18)	0%	(13)	0%	5	38%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	992	23%	302	11%	690	228%
Depreciation & Amortization	(808)	-19%	(816)	-30%	(8)	-1%
Earning (Loss) before Interest and Tax (EBIT)	184	4%	(514)	-19%	698	136%
Finance Costs ⁽²⁾	(177)	-4%	(172)	-6%	5	3%
Corporate Tax Income	12	0%	7	0%	5	71%
Loss from Non-Controlling Interests	3	0%	27	1%	(24)	-89%
Net Profit (Loss) from operation	22	1%	(652)	-24%	674	103%
Extraordinary Items						
Reversal for Assets Impairment	-	-	45	2%	(45)	-100%
Net Profit (Loss)	22	1%	(607)	-23%	629	104%

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

(2) Finance costs excluding interest expenses related to the lease according to TFRS 16 were Baht 95 million (Q2/2021: Baht 75 million)

Q2/2022: The Company achieved total revenues of Baht 4,340 million (Q2/2021: Baht 2,690 million), an increase of Baht 1,650 million (or a rise of 61% YoY), with the proportion of total revenues between the hotel business and the food business being 33%:67% (Q2/2021: 12%:88%); while a Gross Profit was Baht 2,431 million, an increase of 73% YoY and represented a Gross Profit Margin of 58% of the revenues (excluding other income) that increased from the same period last year (Q2/2021: 55%) mainly due to the recovery of the hotel business. The Company achieved an Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) of Baht 992 million, (Q2/2021: Baht 302 million), an increase of Baht 690 million (or 228% YoY) from Q2/2021. An EBITDA Margin of 23% was an increase compared to last year (Q2/2021: 11%). The Company had an Earning before Interest and Tax (EBIT) of Baht 184 million, an increase of Baht 698 million

or 136% compared to last year, and had a Net profit of Baht 22 million compared to a Net loss of Baht 607 million last year or improved by 104%.

Operating Performance for 6 months 2022 and 2021

(Amount - in Baht Million)	6 months 2022		6 months 2021		Changes YoY (Increase+ / Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	2,669	32%	822	15%	1,847
Revenues - food business	5,552	68%	4,641	85%	911	20%
Total revenues	8,221	100%	5,463	100%	2,758	50%
Cost of sales - hotel business	(956)	-12%	(403)	-7%	553	137%
Cost of sales - food business	(2,350)	-29%	(1,891)	-35%	459	24%
Total cost of sales ⁽¹⁾	(3,306)	-40%	(2,294)	-42%	1,012	44%
Selling & General Administrative Expenses	(2,955)	-36%	(2,359)	-43%	596	25%
Share of Loss - Investments (by the equity method)	(18)	0%	(22)	0%	(4)	-18%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	1,942	24%	788	14%	1,154	146%
Depreciation & Amortization	(1,575)	-19%	(1,626)	-30%	(51)	-3%
Earning (Loss) before Interest and Tax (EBIT)	367	4%	(838)	-15%	1,205	144%
Finance Costs ⁽²⁾	(349)	-4%	(337)	-6%	12	4%
Corporate Tax Income (Expense)	(22)	0%	16	0%	(38)	-238%
(Profit) Loss from Non-Controlling Interests	(17)	0%	32	1%	(49)	-153%
Net Loss from operation	(21)	0%	(1,127)	-21%	1,106	98%
Extraordinary Items						
Reversal for Assets Impairment	-	-	45	1%	(45)	-100%
Net Loss	(21)	0%	(1,082)	-20%	1,061	98%

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

(2) Finance costs excluding interest expenses related to the lease according to TFRS 16 were Baht 181 million (6 months 2021: Baht 141 million)

6 months 2022: The Company achieved Total Revenues of Baht 8,221 million (H1/2021: Baht 5,463 million), an increase of Baht 2,758 million (or 50% YoY), with the proportion of total revenues between the Hotel Business and the Food Business being 32%:68% (H1/2021: 15%:85%); while Total Gross Profit was Baht 4,560 million, an increase of Baht 1,614 million or 55% YoY and represented a Gross Profit Margin of 58% of total revenues (excluding other income) that was a rise compared to the same period last year (H1/2021: 56%). The Company achieved a Total EBITDA of Baht 1,942 million (H1/2021: Baht 788 million), an increase of Baht 1,154 million (or 146%) YoY. An EBITDA Margin of 24% was an increase from the same period last year (H1/2021: 14%). The Company had an Earning before Interest and Tax (EBIT) of Baht 367 million, an increase of Baht 1,205 million

or 144% compared to last year and had a Net loss of Baht 21 million compared to a Net loss of Baht 1,082 million last year or improved by 98%.

2.2 Analysis of the Operating Results for each respective Business Group

2.2.1 Hotel Business

As of June 30, 2022, the Company had hotels under management in a total of 91 hotels (19,149 rooms); with 48 hotels (10,007 rooms) already in operation together with other 43 hotels (9,142 rooms) still under development. Of the 48 hotels already in operation, 19 hotels (5,050 rooms) are owned and operated by the Company, with the other 29 hotels (4,957 rooms) being operated under the Company's Hotel Management Agreements.

As of June 30, 2022, there was a total of 44 operating hotels with 18 owned hotels and 26 managed hotels with the following details:

Number	Owned hotels	Rooms	Location
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
17	Centara Karon Resort, Phuket	335	Thailand
18	Cosi Samui Chaweng Beach	150	Thailand
	Total	4,887	

Number	Managed hotels	Rooms	Location
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
25	Centra by Centara Avenue Pattaya	51	Thailand
26	Centara Riverside Chiang Mai	526	Thailand
	Total	4,689	

- Operations Results - Hotel Business (for owned & operated hotels) Q2/2022

Occupancy Rate (OCC) %	Total Operating Performance		
	Q2/2022	Q2/2021	Changes YoY
Bangkok	53%	17%	36%
Upcountry	41%	8%	33%
Maldives	66%	25%	41%
Dubai	72%	-	72%
Thailand - Average	45%	11%	34%
Total – Average (Excluded Dubai)	46%	12%	34%
Total - Average	49%	12%	37%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	Q2/2022	Q2/2021	Changes YoY
Bangkok	3,051	1,351	126%
Upcountry	3,618	3,285	10%
Maldives	13,647	9,446	44%
Dubai	5,530	-	NA
Thailand - Average	3,410	2,343	46%
Total – Average (Excluded Dubai)	4,244	3,214	32%
Total - Average	4,472	3,214	39%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	Q2/2022	Q2/2021	Changes YoY
Bangkok	1,624	227	615%
Upcountry	1,473	274	438%
Maldives	8,969	2,320	287%
Dubai	3,994	-	NA
Thailand - Average	1,519	259	486%
Total – Average (Excluded Dubai)	1,942	381	410%
Total - Average	2,188	381	474%

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

Operating performance of the hotel business in Q2/2022

Hotel Business (In Baht Million)	Q2/2022	Q2/2021	Changes YoY
Revenues - Hotel Business operations	1,294	266	386%
Total Revenues (including other income)	1,420	322	341%
Gross Profit	772	74	943%
% Gross Profit Margin	60%	28%	32% pts.
EBITDA / (Loss)	330	(295)	212%
% EBITDA / (Loss) Margin	23%	-92%	115% pts.
Net Loss from Operation	(116)	(672)	83%
Reversal of assets impairment	-	45	-100%
Net Loss	(116)	(627)	81%
% Net Loss	-8%	-195%	187% pts.

- Q2/2022:

- In Q2/2022, Thailand's hotel performance had recovered significantly from the leisure travel and MICE (meetings, incentives, conferences, and exhibitions) market, supported by the reopening of the country and lifting the measures of preventing COVID-19. While the Maldives was being in low seasons which affected the operating performance of both locations when being compared to the previous quarter in high season, but still having a remarkable improvement YoY. On average, the RevPar increased by 474% YoY to Baht 2,188, as a result of the Occupancy Rate (OCC) increasing from 12% in Q2/2021 to 49% in Q2/2022. While the Average Room Rate (ARR) increased by 39% YoY to Baht 4,472.
 - Bangkok: RevPar increased by 615% YoY to Baht 1,624 as a result of the Occupancy Rate (OCC) improving from 17% to 53% and the Average Room Rate (ARR) also increased by 126% YoY to Baht 3,051. The recovery of hotels in Bangkok was partly due to the improvement of MICE business, especially at Centara Grand & Bangkok Convention Centre at CentralWorld.
 - Upcountry: RevPar increased by 438% YoY to Baht 1,473 as a result of the Occupancy Rate rising from 8% to 41%, and the Average Room Rate (ARR) improved by 10% YoY to Baht 3,618. Hotels in Krabi and Phuket notably improved as a result of reopening the country, while hotels in Pattaya and Hua Hin, which are in driving distance, are popular during long holidays.

Moreover, the operating performance of Centara Reserve Samui in Koh Samui continuously improved.

- Overseas: RevPar was Baht 5,454, a growth of 135% YoY, as a result of an increase in Occupancy Rate increased from 25% to 70% in Q2/2022. Even though the Average Room Rate (ARR) was Baht 7,755, a drop of 18% YoY since Dubai hotel's average room rate was lower than Maldives hotels' average room rate.

- Maldives: RevPar grew by 287% YoY to Baht 8,969 because of an increase in OCC from 25% to 66% and an improvement of ARR by 44% compared to the same period last year to Baht 13,647. Considering in USD, the Total Revenue per Available Room (TRevPar) increased by 205% YoY to USD 395. In Q2/2021, Maldives issued a travel ban for South Asian travellers starting from 13 May 2021.
- Dubai: Opened in October 2021, OCC was 72%, ARR was Baht 5,530, and RevPar was Baht 3,994.

- In Q2/2022, The hotel business achieved total revenues of Baht 1,420 million, an increase of Baht 1,098 million (or a rise of 341% YoY). A Gross Profit was Baht 772 million (Q2/2021: Baht 74 million), an increase of 943% YoY, with a Gross Profit margin of 60%, an increase YoY and QoQ (Q2/2021: 28%, Q1/2022: 59%). The improvement in the Gross Profit margin was because of an increase in the revenue fully covering the fixed costs from operation. Additionally, the company has been continuously concentrating on cost and expense control. The hotel business has an EBITDA of Baht 330 million (Q2/2021: Loss of Baht 295 million) with an EBITDA margin of 23%, which was improved YoY but softened QoQ (Q2/2021: -92%, Q1/2022: 26%). The decline of EBITDA margin in Q2/2022 compared to the previous quarter was from softer performance of Maldives hotels in low season. Furthermore, there was a share of loss - Investments (by the equity method) of Baht 21 million in Q2/2022 compared to a Share of profit of Baht 4 million in Q1/2022. The hotel business has a Net loss of Baht 116 million, an improvement from a Net loss of Baht 627 million in Q2 last year or a gain of 81%.

- Operations Results - Hotel Business (for owned & operated hotels) for 6 months 2022

Occupancy Rate (OCC) %	Total Operating Performance		
	6 months 2022	6 months 2021	Changes YoY
Bangkok	42%	15%	27%
Upcountry	32%	8%	24%
Maldives	76%	50%	26%
Dubai	73%	-	73%
Thailand - Average	35%	10%	25%
Total – Average (Excluded Dubai)	38%	13%	25%
Total - Average	42%	13%	29%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	6 months 2022	6 months 2021	Changes YoY
Bangkok	2,850	1,525	87%
Upcountry	3,713	3,295	13%
Maldives	15,543	9,386	66%
Dubai	5,625	-	NA
Thailand - Average	3,398	2,471	38%
Total – Average (Excluded Dubai)	4,785	4,096	17%
Total - Average	4,961	4,096	21%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	6 months 2022	6 months 2021	Changes YoY
Bangkok	1,196	227	427%
Upcountry	1,199	266	351%
Maldives	11,748	4,701	150%
Dubai	4,098	-	NA
Thailand - Average	1,198	253	374%
Total – Average (Excluded Dubai)	1,797	516	248%
Total - Average	2,073	516	302%

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

Operating performance of hotel business for 6 months 2022

Hotel Business (In Baht Million)	6 months 2022	6 months 2021	Changes YoY
Revenues - Hotel Business operations	2,356	705	234%
Total Revenues (including other income)	2,669	822	225%
Gross Profit	1,400	301	365%
% Gross Profit Margin	59%	43%	16% pts.
EBITDA / (Loss)	654	(390)	268%
% EBITDA / (Loss) Margin	25%	-47%	72% pts.
Net Loss from Operation	(264)	(1,172)	77%
Reversal of assets impairment	-	45	NA
Net Loss	(264)	(1,127)	77%
% Net Loss	-10%	-137%	127% pts.

o 6 months 2022:

- o Occupancy Rate (OCC) increased from 13% to 42%, and Average Room Rate (ARR) improved by 21% YoY to Baht 4,961 which then resulted in the RevPar being increased by 302% YoY to Baht 2,073.
 - Bangkok: RevPar increased by 427% YoY to Baht 1,196, due to an increase in Occupancy Rate (OCC) from 15% to 42%; while Average Room Rate (ARR) was Baht 2,850, an improvement of 87% YoY.
 - Upcountry: RevPar raised by 351% to Baht 1,199, resulting from the Occupancy Rate (OCC) improving from 8% to 32%; and the Average Room Rate (ARR) increased by 13% YoY to Baht 3,713.
 - Overseas: RevPar increased by 35% YoY to Baht 6,342, with the Occupancy Rate (OCC) rising from 50% to 74%; but Average Room Rate (ARR) decreased by 8% YoY to Baht 8,610.
 - Maldives: RevPar grew by 150% YoY to Baht 11,748 driven by an increase in OCC from 50% to 76% and ARR growth by 66% YoY to Baht 15,543. Considering in USD, TRevPar increased by 98% YoY to USD 510.
 - Dubai: OCC was 73%, ARR was Baht 5,625, and RevPar was Baht 4,098.

- For the 6 months 2022, The hotel Business achieved Total Revenues of Baht 2,669 million, an increase of Baht 1,847 million or (or 225%) YoY. A Gross Profit was Baht 1,400 million (6 months 2021: Baht 301 million), an increase of 365% YoY, and a Gross Profit Margin being at 59% was an increase compared to the same period last year (6 months 2021: 43%). The hotel business had an EBITDA of Baht 654 million (6 months 2021: loss of Baht 390 million) and EBITDA margin was 25%, an improvement compared to the same period last year (6 months 2021: -47%). The hotel business has a Net loss of Baht 264 million, an improvement from a Net loss of Baht 1,127 million last year or a gain of 77%.

2.2.2 Food Business

- Operating Results - Food Business Q2/2022

Same Store Sales (SSS) Growth %	Q2/2022	Q2/2021
Top 4 brands	16%	-2%
Other brands*	45%	28%
Total Average	19%	0%

Total Systems Sales (TSS) Growth %	Q2/2022	Q2/2021
Top 4 brands	22%	0%
Other brands*	45%	47%
Total Average	25%	5%

*Excluded Joint Ventures' brands

Number of QSR Outlets	Q2/2022	Q2/2021
KFC	305	286
Mister Donut	457	374
Auntie Anne's	202	192
Ootoya	46	45
Pepper Lunch	48	45
Cold Stone Creamery	16	16
The Terrace	6	10
Chubuton	16	17
Yoshinoya	32	22
Tenya	12	14

Katsuya	52	42
Aroi Dee	37	27
Kowlune	1	9
Arigato	162	58
Grab Kitchen by Every Food	25	11
Joint ventures' brands		
Salad Factory ⁽¹⁾	25	14
Brown Café	15	11
Café Amazon - Vietnam ⁽¹⁾	12	6
Som Tum Nua	5	6
Shinkanzen Sushi ⁽¹⁾	38	-
Total	1,512	1,205

⁽¹⁾ Presented as Joint ventures in Financial Statement

Food Business (in Baht Million)	Q2/2022	Q2/2021	Changes YoY
Sales Revenues	2,895	2,297	26%
Total Revenues (including other income)	2,919	2,368	23%
Gross Profit	1,659	1,334	24%
% Gross Profit Margin	57%	58%	-1% pts.
EBITDA	661	597	11%
% EBITDA Margin	23%	25%	-2% pts.
Net Profit	138	20	590%
% Net Profit	5%	1%	4% pts.

- For operating performance in Q2/2022, the food business achieved Total Revenues of Baht 2,919 million, an increase of Baht 551 million (or an increase of 23%) from Q2/2021. The recovery sign of the food business has shown since Q4/2021 as a consequence of a decline in COVID-19 infection cases, lifting the Government's measures which boost consumers' confidence and the return of dine-in traffic at restaurants. All of these factors lead to an increase in Same Store Sales (%SSS) growth by 19% compared to the same period last year. The improved performance was partly due to the low base last year because of the 3rd wave of the COVID-19 pandemic in Thailand. Together with growth from the outlet expansion, Total System Sales (TSS) grew by 25% YoY. The company has been launching new campaigns and promotions to

increase sales growth through dine-in, takeaway, and delivery channels. The sales reported growth from all channels, especially the distinguish growth of dine-in revenue.

- At the end of Q2/2022, the company had in total of 1,512 outlets, an increase of 307 outlets compared to Q2/2021. Most of the outlet expansion was driven by Arigato (+104), Mister Donut (+83), KFC (+19), and a new Joint Venture brand, which was acquired in May 2022, Shinkanzen Sushi (+38).
- The food business had a Gross Profit of Baht 1,659 million (Q2/2021: Baht 1,334 million), a growth of 24% YoY. While a Gross Profit margin was at 57% of food revenue, a slightly decrease YoY but stable QoQ (Q2/2021: 58%, Q1/2022: 57%). Under the pressure of higher cost of raw materials, the company has implemented margin protection measurements including but not limited to menu price adjustment for certain products that were exposed to adverse impact from cost-push factor, , appropriate sale promotions and campaigns, the procurement of raw materials substitution, and entering long-term contracts with suppliers for key materials. In Q2/2022, The food business had Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) of Baht 661 million, or a growth of 11% YoY. EBITDA margin was at 23%, a drop YoY and QoQ (EBITDA margin Q2/2021: 25%, Q1/2022: 24%). The decrease in EBITDA margin was due to a rise in Selling, General & Administration (SG&A) expenses, which was partly from outlet expansion expenses. In Q2/2022, the food business had a Net profit of Baht 138 million, an increase of Baht 118 million, or 590% YoY.

Operating Results - Food Business for 6 months 2022

Same Systems Sales (SSS) Growth %	6 months 2022	6 months 2021
Top 4 brands	12%	-14%
Other brands*	29%	-6%
Total Average	14%	-13%

Total Systems Sales (TSS) Growth %	6 months 2022	6 months 2021
Top 4 brands	18%	-11%
Other brands*	36%	8%
Total Average	20%	-9%

*Excluded Joint Ventures' brands

Food Business (in Baht Million)	6 months 2022	6 months 2021	Change YoY
Sales Revenues	5,511	4,537	21%
Total Revenues (including other income)	5,552	4,641	20%
Gross Profit	3,160	2,645	19%
Gross Profit Margin %	57%	58%	-1% pts.
EBITDA	1,288	1,178	9%
% EBITDA Margin	23%	25%	-2% pts.
Net Profit	243	44	452%
% Net Profit	4%	1%	3% pts.

- For the performance 6 months 2022, The food business had total revenue of Baht 5,552 million, an increase of Baht 911 million (or 20%) compared to 6 months 2021. The SSS increased by 14% YoY (6 months 2021: -13%). The top four brands reported SSS growth at 12% YoY and the others were at 29% YoY in aggregate. While the TSS was 20% YoY with the top four brands's TSS at 18% and the others' TSS at 36% in aggregate, compared to the same period last year. The food business had a Gross profit of Baht 3,160 million, a rise of 19% YoY with a Gross Profit margin at 57%, a slightly drop YoY (6 months 2021: 58%). An EBITDA was Baht 1,288 million, a growth of 9% YoY, with EBITDA margin of 23% (6 months 2021: 25%). The food business had a Net profit of Baht 243 million, an increase of Baht 199 million, or a growth of 452% YoY. Overall, the Net profit has been growing in all distribution channels: dine-in, takeaway, and delivery.

3 Financial Status

Financial Position and Cash Flows

As of June 30, 2022, the Company had Total Assets of Baht 48,024 million, a decrease of Baht 568 million (1%) compared to the end of 2021, due mainly to a decrease in right-of-use assets of Baht 716 million and a decline in property, plant, and equipment totaling of Baht 301 million, and a decrease in cash and cash equivalents by Baht 556 million. On the other hand, investment in Joint Ventures increased by Baht 666 million, together with an increase in trade and other receivables by Baht 141 million.

Total Liabilities were Baht 29,405 million, a decrease of Baht 755 million (3%) compared to the end of 2021. The decreases in total Liabilities were mainly from a decrease in long-term lease liabilities Baht 680 million, and a decline in bank overdrafts and short-term loans from financial institutions of Baht 517 million. While long-term loans from financial institutions net increased by Baht 458 million.

The Company had Total Shareholders' Equity of Baht 18,619 million, an increase of Baht 187 million from the end of 2021, resulting from an increase in other components of shareholders' equity in "Other Comprehensive Income Items" of Baht 183 million, while Unappropriated retained earnings decreased by Baht 22 million and Non-controlling interests of the subsidiaries increased by Baht 26 million.

As of June 30, 2022, the Company had Net Cash from Operating activities totaling Baht 1,607 million, an increase of Baht 800 million YoY; together with Net Cash used in Investing activities of Baht 1,097 million, a decrease of Baht 384 million (26%), which mainly consisted of payments to purchase property, plant and equipment totaling Baht 519 million, and cash paid for investing and lending to joint ventures of Baht 587 million. While the Company had Net Cash used in Financing activities totaling Baht 1,105 million, comparing to same time last year that the Company had Net Cash from Financing activities of Baht 797 million, mainly from the payment of principal portion of lease liabilities of Baht 803 million, cash paid for bank overdrafts and short-term loans from financial institutions of Baht 774 million and repayment of long-term loans from financial institutions of Baht 290 million being netted-off with cash received from long-term loans from financial institutions of Baht 800 million.

Analysis of Financial Ratios

Financial Ratios	Q2/2022	2021
Current Ratio (times)	0.4	0.6
Interest Bearing Debt / Equity (times)	1.3	1.3
Interest Bearing Debts (excluding lease liabilities) / Equity (times)	0.8	0.9

As of June 30, 2022, the Company's current ratio was at 0.4 times, a decrease compared to the end of 2021 due to an increase in the current portion of long-term loans from financial institutions. Interest Bearing Debts/Equity Ratio was stable at 1.3 times, compared to the end of last year. The Interest Bearing Debts (excluding lease liabilities) / Equity was 0.8 times, which improved from the end of last year because of a decrease in interest-bearing debts and an increase in equity. Additionally, the covenant with financial institutions is at 2.0 times of Interest Bearing Debts (excluding lease liabilities) / Equity.

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 sufficient short/long-term loans from financial institutions to support business needs from unexpected situations. According to a gradual increase in interest rate, particularly in USD currency, the company has prepared a plan for USD loans repayment to reduce the exposure of an interest rate hike.

In 2022, the Company will recognize the first full year of operation from 2 new properties:

- Centara Mirage Beach Resort Dubai with 607 keys in the 4-star category. The Company holds 40% of 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: High inflation and the conflict between Ukraine and Russia have a great impact on raw materials and energy prices. The company has been aware and paid attention to cost control efficiency, including continually negotiating with suppliers, finding alternative sources for raw materials, and carefully implementing menu price adjustment to mitigate the impact from cost-push inflation and to optimize the balance between the value to customer and the Company's profitability. In addition, the company has been focusing on three key pillars; namely: generating sales revenues, decreasing costs and expenses, and being cautious and prudent on business expansion and investment projects. For revenue generating, the company is concentrating on the growth of all distribution channels: dine-in, takeaway, delivery, and new e-commerce channels.

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

- Shinkanzen Sushi and Senma Sushi Restaurants, which was acquired on 3rd May 2022 at 51% of the total stake. Currently, there are 38 outlets in operation. The investment will be accounted for in the consolidated financial statements using the equity method.

- Business trends for 2022

- Hotel Business: Although there are some negative factors to tourism such as an increase in airfare and uncertainty of global economic recovery. However, reopening the country is a great positive factor on tourism as shown in a significant increase in the number of tourist arrivals. The Company targets occupancy rate in 2022 (including the hotel in Dubai) between 45% - 50%, and Revenue per Available Room (RevPAR) would be approximately Baht 1,900 - 2,200.
- Food Business: In 2022, the Company targets Same Store Sales (SSS) growth between 10% to 15% YoY and Total System Sales (TSS) growth between 20% to 25% YoY. For the outlet expansion, a net increase in the number of outlets would be 200-250 outlets (including shop-in-shop of Arigao in Mister Donut) compared to 2021.

For your information accordingly;

Respectfully Yours,



(Mr. Gun Srisompong)

CFO & VP Finance and Administration