

Ref. No. PLAT 13/2022

November 8, 2022

Subject: Management Discussion & Analysis (MD&A) of the Company and its subsidiaries for the third 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 nine-month periods ended September 30, 2022 (third 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 center businesses are showing signs of significant improvement, especially during the second and third 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. Total Revenues

Ended September 30, 2022, the Company's total revenues for the three-month period was Baht 271 million, increased by Baht 194 million or 252% and for the nine-month period was Baht 548 million, increased by Baht 227 million or 71% compared to the same period last year. The details are as follows:

Unit: Million Baht

Description	Three-Month Period				Nine-Month Period			
	2022	2021	Variance		2022	2021	Variance	
Revenues from Rental and Services	137	52	85	163%	284	255	29	11%
Revenues from Hotel Operations	89	4	85	2,125%	169	15	154	1,027%
Revenues from Food and Beverage	39	2	37	1,850%	78	20	58	290%
Other Revenues	6	19	(13)	(68%)	17	31	(14)	(45%)
Total Revenues	271	77	194	252%	548	321	227	71%

1.1 Revenues from Rental and Services

Ended September 30, 2022, the Company's revenues from rental and services for the three-month period was Baht 137 million, increased by Baht 85 million or 163% and for the nine-month period was Baht 284 million, increased by Baht 29 million or 11% compared to the same period last year. It was mainly due to the temporary closure of both shopping malls of the Company in the third quarter of 2021 during July and August for 51 days according to government measures to prevent COVID-19 outbreak. During the closure, the Company had implemented a measure to help tenants by fully waiving rental and service fees. In addition, after reopening, the Company had continued to provide rental and service fee discount to tenants who were considerably affected by COVID-19. However, during the third quarter of 2022, 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, thus there are more shops renting space in the Company's shopping center. Moreover, the Company is able to gradually reduce the rate of discount on rental and service fees given to tenants. As a result, the Company earned higher revenues from rental and services.

1.2 Revenues from Hotel Operations

Ended September 30, 2022, the Company's revenues from hotel operations for the three-month period was Baht 89 million, increased by Baht 85 million or 2,125% and for the nine-month period was Baht 169 million, increased by Baht 154 million or 1,027% compared to the same period last year, mainly due to the government's relaxation of COVID-19 measures to reopen the country to foreign tourists. Therefore, the number of foreign customers has significantly increased, especially during the second and third quarter of 2022.

1.3 Revenues from Food and Beverage

Ended September 30, 2022, the Company's revenues from food and beverage for the three-month period was Baht 39 million, increased by Baht 37 million or 1,850% and for the nine-month period was Baht 78 million, increased by Baht 58 million or 290% compared to the same period last year, mainly due to the government's COVID-19 measure to temporary closure of shopping malls during the third quarter of 2021 aforementioned. However, during 2022, the government has eased measures to control the spread of COVID-19 and reopen the country to foreign tourists. As a result, the number of both local and foreign customers has significantly increased, especially during the second and third quarter of 2022.

1.4 Other Revenues

Ended September 30, 2022, the Company's other revenues for the three-month period was Baht 6 million, decreased by Baht 13 million or 68% and for the nine-month period was Baht 17 million, decreased by Baht 14 million or 45% 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 Costs

Ended September 30, 2022, the Company's total costs for the three-month period was Baht 181 million, increased by Baht 49 million or 37% and for the nine-month period was Baht 482 million, increased by Baht 55 million or 13% compared to the same period last year. The details are as follows:

Unit: Million Baht

Description	Three-Month Period				Nine-Month Period			
	2022	2021	Variance		2022	2021	Variance	
Cost of Rental and Services	116	112	4	4%	337	349	(12)	(3%)
Cost of Hotel Operations	33	16	17	106%	81	54	27	50%
Cost of Food and Beverage	32	4	28	700%	64	24	40	166%
Total Costs	181	132	49	37%	482	427	55	13%

2.1 Cost of Rental and Services

Ended September 30, 2022, the Company's cost of rental and services for the three-month period was Baht 116 million, increased by Baht 4 million or 4% and for the nine-month period was Baht 337 million, decreased by Baht 12 million or 3% compared to the same period last year. The details are as follows:

- Depreciation and amortization cost for the three-month period was Baht 71 million and for the nine-month period was Baht 211 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 nine-month period was Baht 21 million, increased by Baht 19 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 38 million, decreased by Baht 2 million or 5% and for the nine-month period was Baht 105 million, decreased by Baht 32 million or 23% compared to the same period last year because the Company has continuously managed operating costs more efficiently including negotiation with various counterparties to control costs as efficiently as possible. As a result, the Company could reduce 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.

2.2 Cost of Hotel Operations

Ended September 30, 2022, the Company's cost of hotel operations for the three-month period was Baht 33 million, increased by Baht 17 million or 106% and for the nine-month period was Baht 81 million, increased by Baht 27 million or 50% 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 September 30, 2022, the Company's cost of food and beverage for the three-month period was Baht 32 million, increased by Baht 28 million or 700% and for the nine-month period was Baht 64 million, increased by Baht 40 million or 166% 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

Unit: Million Baht

Description	Three-Month Period				Nine-Month Period			
	2022	2021	Variance		2022	2021	Variance	
Selling and Administrative Expenses	161	59	102	173%	281	221	60	27%
Selling and Administrative Expenses (Excluding extraordinary item)	77	59	18	30%	197	221	(24)	(11%)
Finance Cost	34	33	1	3%	101	97	4	4%
Income Tax Expense	23	6	17	283%	32	7	25	357%

3.1 Selling and Administrative Expenses

Ended September 30, 2022, the Company's selling and administrative expenses for the three-month period was Baht 161 million, increased by Baht 102 million or 173% and for the nine-month period was Baht 281 million, increased by Baht 60 million or 27% compared to the same period last year, mainly due to write-off of accrued rental and service income of Baht 84 million from the termination of lease and service agreements of a lessee with a subsidiary.

If excluding aforementioned extraordinary item, the Company's selling and administrative expenses for the three-month period was Baht 77 million, increased by Baht 18 million or 30% compared to the same period last year, mainly due to pre-opening expenses of Holiday Inn Resort Samui hotel amounting to Baht 11 million.

And, for the nine-month period was Baht 197 million, decreased by Baht 24 million or 11% compared to the same period last year, mainly because, during 2021, 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 September 30, 2022, the Company's finance cost for the three-month period was Baht 34 million, slightly increased by Baht 1 million or 3% and for the nine-month period was Baht 101 million, slightly increased by Baht 4 million or 4% 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 September 30, 2022, the Company's income tax expense for the three-month period was Baht 23 million, increased by Baht 17 million and for the nine-month period was Baht 32 million, increased by Baht 25 million compared to the same period last year. Such income tax expense included interim corporate income tax for the separate operating results of the Company amounting to Baht 11 million. The remainder was deferred tax relating to origination and reversal of temporary differences.

4. Profit (Loss) for the Period

Unit: Million Baht

Description	Three-Month Period				Nine-Month Period			
	2022	2021	Variance		2022	2021	Variance	
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	14	(23)	37	161%	39	(54)	93	172%
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA) (Excluding extraordinary item)	98	(23)	121	526%	123	(54)	177	328%
(Loss) for the Period	(127)	(152)	25	16%	(344)	(424)	80	19%
(Loss) for the Period (Excluding extraordinary item)	(43)	(152)	109	72%	(260)	(424)	164	39%

Ended September 30, 2022, the Company's profit before depreciation, amortization, finance income & cost and income tax (EBITDA) for the three-month period was Baht 14 million, increased by Baht 37 million or 161% and for the nine-month period was Baht 39 million, increased by Baht 93 million or 172% compared to the same period last year.

If excluding aforementioned extraordinary item from write-off of accrued rental and service income amounting to Baht 84 million, the Company's profit before depreciation, amortization, finance income & cost and income tax (EBITDA) for the three-month period was Baht 98 million, increased by Baht 121 million or 526% and for the nine-month period was Baht 123 million, increased by Baht 177 million or 328% compared to the same period last year.

Ended September 30, 2022, the Company's loss for the three-month period was Baht 127 million, decreased by Baht 25 million or 16% and for the nine-month period was Baht 344 million, decreased by Baht 80 million or 19% compared to the same period last year.

If excluding aforementioned extraordinary item from write-off of accrued rental and service income amounting to Baht 84 million, the Company's loss for the three-month period was Baht 43 million, decreased by Baht 109 million or 72% and for the nine-month period was Baht 260 million, decreased by Baht 164 million or 39% compared to the same period last year.

5. Financial Position

Unit: Million Baht

Description	September 30, 2022		December 31, 2021		Variance	
	MB	Proportion	MB	Proportion	MB	%
Total Assets	11,649	100%	11,563	100%	86	1%
Total Liabilities	4,189	36%	3,759	33%	430	11%
Shareholder's Equity	7,460	64%	7,804	67%	(344)	(4%)

5.1 Total Assets

As at September 30, 2022, the Company's total assets were Baht 11,649 million, increased by Baht 86 million or 1% compared to the end of 2021, due to the following reasons:

- **Current assets** decreased by Baht 933 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 1,019 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 September 30, 2022, the Company's total liabilities were Baht 4,189 million, increased by Baht 430 million or 11% compared to the end of 2021, mainly because of increase in trade and other payables for Baht 279 million which was mainly caused by construction payables of The Market Bangkok Phase II and Holiday Inn Resort Samui and increase in lease liabilities for Baht 94 million due to recognition of lease liabilities according to TFRS16 about lease.

5.3 Shareholder's Equity

As at September 30, 2022, the Company's shareholder's equity was Baht 7,460 million, decreased by Baht 344 million or 4% 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

Authorized Person for Information Disclosure

Investor Relations

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