

November 14, 2022

The President & Director,

The Stock Exchange of Thailand (SET)

**LETTER OF CLARIFICATION for CENTEL's Operating Performance Results
for the 3 months ended September 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 September 30, 2022 (Q3/2022), 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

Due to the constant easing of international travel restrictions to prevent the pandemic of COVID-19 and the cancellation of Thailand Pass since July 1, 2022, the total number of international tourist arrivals in Q3/2022 continued to increase significantly to 3.6 million, a growth of 78 times YoY. The top three arrivals were from Malaysia, India, and Laos with the contributions of 21%, 9%, and 6% of total arrivals respectively.

For 9 months 2022, total number of international tourist arrivals was 5.7 million, an increase of 65 times YoY. The top three tourist arrivals were Malaysia at 17%, India at 10%, and Singapore at 6% of total arrivals, respectively.

1.2 The tourism industry in the Maldives

The total number of international tourist arrivals in Q3/2022 was 377,409, a growth of 5% YoY. The top three arrivals were from Russia, India, and the UK with a contribution of 16%, 13%, and 9% of total arrivals, respectively. Russia and the UK reported a continued growth of 32% and 591% YoY, respectively; while, India revealed a drop of 57% compared to the same period last year.

For 9 months 2022, the total arrivals were 1,190,620, an increase of 37% compared to the same period last year. The top three tourists were from India, Russia, and the UK with the contributions of 14%, 12%, and 11% of total tourist arrivals, respectively. The number of tourists from India and Russia decreased by 16% YoY; while, the number of tourists from UK notably raised by 603% compared to the same period last year.

1.3 The tourism industry in Dubai

The total number of international tourist arrivals in Q3/2022 was 3.0 million, an increase of 126% YoY. The top three arrivals were India, Saudi Arabia, and Oman with the contributions of 13%, 12%, and 9% of total arrivals, respectively.

For 9 months 2022, the total arrivals were 10.12 million, a growth of 163% compared to the same period last year. The top three tourists were India, Oman, and Saudi Arabia with the contributions of 12%, 10%, and 9% 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 Q3/2022 and Q3/2021

(Amount - in Baht Million)	Q3/2022		Q3/2021		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	1,508	34%	421	17%	1,087
Revenues - food business	2,984	66%	2,004	83%	980	49%
Total revenues	4,492	100%	2,425	100%	2,067	85%
Cost of sales - hotel business	(601)	-13%	(201)	-8%	400	199%
Cost of sales - food business	(1,265)	-28%	(850)	-35%	415	49%
Total cost of sales ⁽¹⁾	(1,866)	-42%	(1,051)	-43%	815	78%
Selling & General Administrative Expenses	(1,640)	-37%	(1,116)	-46%	524	47%
Share of Loss - Investments (by the equity method)	(48)	-1%	(17)	-1%	31	182%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	938	21%	241	10%	697	289%
Depreciation & Amortization	(793)	-18%	(847)	-35%	(54)	-6%
Earning (Loss) before Interest and Tax (EBIT)	145	3%	(606)	-25%	751	124%
Finance Costs ⁽²⁾	(184)	-4%	(214)	-9%	(30)	-14%
Corporate Tax	(51)	-1%	(12)	0%	39	325%
Loss from Non-Controlling Interests	12	0%	30	1%	(18)	-60%
Net Loss	(78)	-2%	(802)	-33%	724	90%

(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 101 million (Q3/2021: Baht 90 million)

- Q3/2022:** The Company achieved total revenues of Baht 4,492 million (Q3/2021: Baht 2,425 million), an increase of Baht 2,067 million (or a rise of 85% YoY), with the proportion of total revenues between the hotel business and the food business being 34%:66% (Q3/2021: 17%:83%); while a Gross Profit was Baht 2,564 million, an increase of 104% YoY and represented a Gross Profit Margin of 58% of the revenues (excluding other income) that increased from the same period last year (Q3/2021: 54%) mainly due to the recovery of the hotel and food business. The Company achieved an Earning before Interest, Tax, Depreciation, and Amortization (EBITDA) of Baht 938 million, (Q3/2021: Baht 241 million), an increase of Baht 697 million (or 289% YoY) from Q3/2021. An EBITDA Margin of 21% was an increase compared to last year (Q3/2021: 10%). The Company had an Earning before Interest and Tax (EBIT) of Baht 145 million, an increase of Baht 751 million or 124% compared to last year, and had a Net loss of Baht 78 million compared to a Net loss of Baht 802 million last year or improved by 90% in Q3/2022. However, The company recognized an unrealized foreign exchange loss on foreign currency loans of Baht 105 million.

Operating Performance for 9 months 2022 and 2021

(Amount - in Baht Million)	9 months 2022		9 months 2021		Changes YoY (Increase+/ Decrease-)	
	Amount	%	Amount	%	Amount	%
	Revenues - hotel business	4,178	33%	1,242	16%	2,936
Revenues - food business	8,536	67%	6,645	84%	1,891	28%
Total revenues	12,714	100%	7,887	100%	4,827	61%
Cost of sales - hotel business	(1,557)	-12%	(605)	-8%	952	157%
Cost of sales - food business	(3,616)	-28%	(2,741)	-35%	875	32%
Total cost of sales ⁽¹⁾	(5,173)	-41%	(3,346)	-42%	1,827	55%
Selling & General Administrative Expenses	(4,595)	-36%	(3,475)	-44%	1,120	32%
Share of Loss - Investments (by the equity method)	(66)	-1%	(39)	0%	27	69%
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	2,880	23%	1,027	13%	1,853	180%
Depreciation & Amortization	(2,368)	-19%	(2,473)	-31%	(105)	-4%
Earning (Loss) before Interest and Tax (EBIT)	512	4%	(1,446)	-18%	1,958	135%
Finance Costs ⁽²⁾	(534)	-4%	(551)	-7%	(17)	-3%
Corporate Tax Income (Expense)	(73)	-1%	4	0%	77	-1925%
(Profit) Loss from Non-Controlling Interests	(5)	0%	62	1%	(67)	-108%
Net Loss from operation	(100)	-1%	(1,931)	-24%	1,831	95%
Extraordinary Items						
Reversal for Assets Impairment	-	-	45	1%	(45)	-100%
Net Loss	(100)	-1%	(1,886)	-24%	1,786	95%

(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 282 million (9 months 2021: Baht 232 million)

9 months 2022: The Company achieved Total Revenues of Baht 12,714 million (9 months 2021: Baht 7,887 million), an increase of Baht 4,827 million (or 61% YoY), with the proportion of total revenues between the Hotel Business and the Food Business being 33%:67% (9 months 2021: 16%:84%); while Gross Profit was Baht 7,124 million, an increase of Baht 2,922 million or 70% 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 (9 months 2021: 56%). The Company achieved an EBITDA of Baht 2,880 million (9 months 2021: Baht 1,027 million), an increase of Baht 1,853 million (or 180%) YoY. An EBITDA Margin of 23% was an increase from the same period last year (9 months 2021: 13%). The Company had an Earning before Interest and Tax (EBIT) of Baht 512 million, an increase of Baht 1,958 million or 135% compared to last year, and had a Net loss of Baht 100 million compared to a Net loss of Baht 1,886 million last year or improved by 95%.

2.2 Analysis of the Operating Results for each respective Business Group

2.2.1 Hotel Business

As of September 30, 2022, the Company had hotels under management in a total of 91 hotels (19,366 rooms); with 49 hotels (10,225 rooms) already in operation together with other 42 hotels (9,141 rooms) still under development. Of the 49 hotels already in operation, 19 hotels (5,050 rooms) are owned and operated by the Company, with the other 30 hotels (5,175 rooms) being operated under the Company's Hotel Management Agreements.

As of September 30, 2022, Three hotels were still closed, including one owned hotel, Centara Kata Resort Phuket with 163 rooms.

Operations Results - Hotel Business (for owned & operated hotels) Q3/2022

Occupancy Rate (OCC) %	Total Operating Performance		
	Q3/2022	Q3/2021	% Changes
Bangkok	66%	21%	45%
Upcountry	46%	9%	37%
Maldives	52%	64%	-12%
Dubai	80%	-	80%
Thailand – Average	52%	13%	39%
Total – Average (Excluded Dubai)	52%	16%	36%
Total - Average	55%	16%	39%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	Q3/2022	Q3/2021	% Changes
Bangkok	3,559	1,215	193%
Upcountry	3,646	2,009	81%
Maldives	12,627	9,643	31%
Dubai	4,401	-	n.a.
Thailand - Average	3,612	1,592	127%
Total – Average (Excluded Dubai)	4,122	3,497	18%
Total - Average	4,170	3,497	19%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	Q3/2022	Q3/2021	% Changes
Bangkok	2,331	258	803%
Upcountry	1,684	183	820%
Maldives	6,556	6,174	6%
Dubai	3,510	-	n.a.
Thailand - Average	1,883	207	810%
Total – Average (Excluded Dubai)	2,148	560	283%
Total - Average	2,312	560	313%

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

Operating performance of the hotel business in Q3/2022

Hotel Business (In Baht Million)	Q3/2022	Q3/2021	% Changes
Revenues - Hotel Business operations	1,489	366	307%
Total Revenues (including other income)	1,508	421	258%
Gross Profit	888	165	438%
% Gross Profit Margin	60%	45%	15% pts.
EBITDA / (Loss)	242	(397)	161%
% EBITDA / (Loss) Margin	16%	-95%	111% pts.
Net Loss from Operation	(255)	(786)	68%
% Net Loss	-17%	-187%	170% pts.

- Q3/2022:
 - In Q3/2022, hotels in Thailand continued recovery driven by leisure travel and convention, supported by the reopening of the country and lifting the measures of preventing COVID-19. Nevertheless, the Maldives was still in low season and reported soft performance in USD compared to Q2/2022, but it disclosed a growth in Baht currency YoY due to Baht depreciation against the US dollar. Overall, the RevPar increased by 313% YoY to Baht 2,312, as a result of the Occupancy Rate (OCC) increasing from 16% in Q3/2021 to 55% in Q3/2022. While the Average Room Rate (ARR) increased by 19% YoY to Baht 4,170.

- Bangkok: RevPar increased by 803% YoY to Baht 2,331 as a result of the Occupancy Rate (OCC) improving from 21% to 66% and the Average Room Rate (ARR) also increased by 193% YoY to Baht 3,559. The recovery of hotels in Bangkok was partly due to the improvement of the MICE business. Especially, Centara Grand & Bangkok Convention Centre at CentralWorld and Centara Grand at Central Plaza Ladprao Bangkok reported a substantial improvement YoY.
 - Upcountry: RevPar increased by 820% YoY to Baht 1,684 as a result of the Occupancy Rate rising from 9% to 46%, and the Average Room Rate (ARR) improved by 81% YoY to Baht 3,646. The recovery of hotels in all key tourist destinations was due to the positive factor from the cancellation of the Thailand Pass since July 1st, 2022. Particularly, Centara Grand Mirage Beach Resort, Pattaya showed outstanding performance.
 - Overseas: RevPar was Baht 4,404, a drop of 29% YoY. The occupancy Rate increased from 64% to 72% in Q3/2022, but the Average Room Rate (ARR) dropped by 36% YoY to Baht 6,150. This was because Dubai hotel's average room rate was lower than the average room rate in the Maldives.
 - Maldives: RevPar grew by 6% YoY to Baht 6,556. The OCC fell from 64% to 52% but ARR increased by 31% compared to the same period last year to Baht 12,627. However, considering in USD, the Total Revenue per Available Room (TRRevPar) decreased by 10% YoY to USD 287. The soft performance in Q3/2022 was because, during the low season, the hotels had a high proportion of India, and nowadays, the demand has shifted to other destinations according to the gradual re-opening of other countries to welcome the tourists. Consequently, the average occupancy rate was lower.
 - Dubai: The hotel opened in October 2021. Q3/2022 was in the low season with OCC at 80%, ARR of Baht 4,401, and RevPar of Baht 3,510.
- In Q3/2022, The hotel business achieved total revenues of Baht 1,508 million, an increase of Baht 1,087 million (or a rise of 258% YoY). A Gross Profit was Baht 888 million (Q3/2021: Baht 165 million), an increase of 438% YoY, with a Gross Profit margin of 60%, an increase

YoY and maintained QoQ (Q3/2021: 45%, Q2/2022: 60%). The improvement in the Gross Profit margin was because of an increase in the revenue fully covering the fixed costs from an operation. Additionally, the company has been continuously concentrating on cost and expense control. The hotel business had an EBITDA of Baht 242 million (Q3/2021: Loss of Baht 397 million) with an EBITDA margin of 16%, which was improved YoY but softened QoQ (Q3/2021: -95%, Q2/2022: 23%). The hotel business had a net Loss of Baht 255 million compared to a net Loss of Baht 786 million in the same period last year, or a gain of 68%. In Q3/2022, the company recognized an unrealized foreign exchange loss on foreign currency loans of Baht 105 million.

- Operations Results - Hotel Business (for owned & operated hotels) for 9 months 2022

Occupancy Rate (OCC) %	Total Operating Performance		
	9 months 2022	9 months 2021	% Changes
Bangkok	50%	17%	33%
Upcountry	37%	8%	29%
Maldives	68%	55%	13%
Dubai	75%	-	75%
Thailand – Average	41%	11%	30%
Total – Average (Excluded Dubai)	42%	14%	28%
Total – Average	46%	14%	32%

Average Room Rate - ARR (Baht)	Total Operating Performance		
	9 months 2022	9 months 2021	% Changes
Bangkok	3,164	1,395	127%
Upcountry	3,685	2,827	30%
Maldives	14,788	9,487	56%
Dubai	5,187	-	n.a.
Thailand – Average	3,490	2,127	64%
Total – Average (Excluded Dubai)	4,510	3,861	17%
Total – Average	4,642	3,861	20%

Revenue per Available Room - RevPar (Baht)	Total Operating Performance		
	9 months 2022	9 months 2021	% Changes
Bangkok	1,579	237	566%
Upcountry	1,363	238	473%
Maldives	9,998	5,197	92%
Dubai	3,900	-	n.a.
Thailand – Average	1,429	238	500%
Total – Average (Excluded Dubai)	1,915	531	261%
Total – Average	2,154	531	306%

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

Operating performance of hotel business for 9 months 2022

Hotel Business (In Baht Million)	9 months 2022	9 months 2021	% Changes
Revenues - Hotel Business operations	3,845	1,071	259%
Total Revenues (including other income)	4,178	1,242	236%
Gross Profit	2,288	466	391%
% Gross Profit Margin	60%	44%	16% pts.
EBITDA / (Loss)	896	(787)	214%
% EBITDA / (Loss) Margin	21%	-63%	84% pts.
Net Loss from Operation	(520)	(1,959)	73%
Reversal of assets impairment	-	45	-100%
Net Loss	(520)	(1,914)	73%
% Net Loss	-12%	-154%	142% pts.

- 9 months 2022:
 - Occupancy Rate (OCC) increased from 14% to 46%, and the Average Room Rate (ARR) improved by 20% YoY to Baht 4,642 which then resulted in the RevPar being increased by 306% YoY to Baht 2,154.
 - Bangkok: RevPar increased by 566% YoY to Baht 1,579, due to an increase in Occupancy Rate (OCC) from 17% to 50%; while Average Room Rate (ARR) was Baht 3,164, an improvement of 127% YoY.

Number of QSR Outlets	Q3/2022	Q3/2021
KFC	307	293
Mister Donut	467	393
Auntie Anne's	205	194
Ootoya	46	43
Pepper Lunch	50	46
Cold Stone Creamery	16	16
The Terrace	7	9
Chubuton	16	17
Yoshinoya	32	25
Tenya	12	14
Katsuya	52	46
Aroi Dee	32	39
Kowlune	1	9
Arigato	172	65
Grab Kitchen by Every Food	24	19
Joint ventures' brands		
Salad Factory ⁽¹⁾	28	18
Brown Café	15	12
Café Amazon - Vietnam ⁽¹⁾	14	6
Som Tum Nua	5	6
Shinkanzen Sushi ⁽¹⁾	42	-
Total	1,543	1,270

⁽¹⁾ Presented as Joint ventures in Financial Statement

Operating performance of the food business in Q3/2022

Food Business (in Baht Million)	Q3/2022	Q3/2021	% Changes
Sales Revenues	2,940	1,940	52%
Total Revenues (including other income)	2,984	2,004	49%
Gross Profit	1,676	1,091	54%
% Gross Profit Margin	57%	56%	1% pts.
EBITDA	696	637	9%
% EBITDA Margin	23%	32%	-9% pts.
Net Profit (Loss)	177	(16)	1,206%
% Net Profit (Loss)	6%	-1%	7% pts.

- For operating performance in Q3/2022, the food business achieved Total Revenues of Baht 2,984 million, an increase of Baht 980 million (or an increase of 49%). The company reported the Same Store Sales (%SSS) growth of 43% compared to the same period last year and Total System Sales (TSS) grew by 51% YoY. In this quarter, the food business continued its improvement, particularly the outstanding growth of dine-in according to continued signs of improvement in the COVID-19 situation. The growth of this quarter YoY was higher than in other quarters because of the lockdown policy last year. Apart from the higher consumer confidence, the company had been launching new campaigns and promotions and also using a price strategy corresponding to raw material price inflation in this quarter to boost revenue and maintain a profit margin.
- At the end of Q3/2022, the company had in total of 1,543 outlets, an increase of 273 outlets compared to Q3/2021. Most of the outlet expansion was driven by Arigato (+107), Mister Donut (+74), and Shinkanzen Sushi (+42), a new Joint Venture brand acquired in May 2022,
- The food business had a Gross Profit of Baht 1,676 million (Q3/2021: Baht 1,091 million), a growth of 54% YoY. While Gross Profit margin was at 57% of food revenue, an improvement YoY and steady QoQ (Q3/2021: 56%, Q2/2022: 57%). Under the pressure of the volatility of the cost of raw materials, the company had implemented margin protection measurements including but not limited to menu price adjustment for certain products that were exposed to adverse impacts 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 Q3/2022, The food business had Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) of Baht 696 million, or a growth of 9% YoY. EBITDA margin was at 23%, a drop YoY but at the same level QoQ (EBITDA margin Q3/2021: 32%, Q2/2022: 23%) due to

an increase in Selling, General & Administrative (SG&A) expenses relating to outlet expansion . The food business had a Net profit of Baht 177 million, an increase of Baht 193 million, or 1,206% YoY.

Operating Results - Food Business for 9 months 2022

Same Systems Sales (SSS) Growth %	9 months 2022	9 months 2021
Top 4 brands	19%	-18%
Other brands*	49%	-23%
Total Average	23%	-19%

Total Systems Sales (TSS) Growth %	9 months 2022	9 months 2021
Top 4 brands	25%	-16%
Other brands*	54%	-7%
Total Average	30%	-14%

*Excluded Joint Ventures' brands

Food Business (in Baht Million)	9 months 2022	9 months 2021	% Changes
Sales Revenues	8,451	6,477	30%
Total Revenues (including other income)	8,536	6,645	28%
Gross Profit	4,836	3,736	29%
Gross Profit Margin %	57%	58%	-1% pts.
EBITDA	1,984	1,815	9%
% EBITDA Margin	23%	27%	-4% pts.
Net Profit	420	28	1,400%
% Net Profit	5%	0.4%	5% pts.

- For the performance of 9 months 2022, The food business had total revenue of Baht 8,536 million, an increase of Baht 1,891 million (or 28%) compared to 9 months 2021. The SSS increased by 23% YoY (9 months 2021: -19%). The top four brands reported SSS growth at 19% YoY and the others were at 49% YoY in aggregate. While the TSS was 30% YoY with the top four brands' TSS at 25% and the others' TSS at 54% in aggregate, compared to the same period last year. The food business had a Gross profit of Baht 4,836 million, a rise of 29% YoY with a Gross Profit margin of 57%, a slight drop YoY (9 months 2021: 58%). An EBITDA was Baht 1,984 million, a growth of 9% YoY, with an EBITDA margin of 23% (9 months 2021: 27%). The food business had a Net profit of Baht 420 million, an increase of Baht 392 million, or a growth

of 1,400% YoY. Overall, the Net profit had been growing in all distribution channels: dine-in, takeaway, and delivery, in which dine-in reported the strongest growth.

3 Financial Status

Financial Position and Cash Flows

As of September 30, 2022, the Company had Total Assets of Baht 48,487 million, a decrease of Baht 105 million (0.2%) compared to the end of 2021, due mainly to a decrease in right-of-use assets of Baht 899 million and a decline in property, plant, and equipment totaling of Baht 275 million. On the other hand, investment in Joint Ventures increased by Baht 789 million, together with an increase in trade and other receivables by Baht 215 million.

Total Liabilities were Baht 29,656 million, a decrease of Baht 505 million (2%) compared to the end of 2021. The decreases in total Liabilities were mainly from a decline in bank overdrafts and short-term loans from financial institutions of Baht 1,121 million, a decrease in debentures of Baht 818 million, and a decline in lease liabilities of Baht 767 million. While the long-term loans from financial institutions increased by Baht 1,938 million.

The Company had Total Shareholders' Equity of Baht 18,831 million, an increase of Baht 399 million from the end of 2021, resulting from an increase in other components of shareholders' equity in "Other Comprehensive Income Items" of Baht 474 million, while Unappropriated retained earnings decreased by Baht 100 million and Non-controlling interests of the subsidiaries increased by Baht 25 million.

As of September 30, 2022, the Company had Net Cash from Operating activities totaling Baht 2,835 million, an increase of Baht 1,729 million YoY (or 156% YoY); together with Net Cash used in Investing activities of Baht 1,229 million, a decrease of Baht 1,099 million (or 47%), which mainly consisted of payments to purchase property, plant and equipment totaling Baht 784 million, and cash paid for investing and lending to joint ventures of Baht 616 million. While the Company had Net Cash used in Financing activities totaling Baht 1,728 million, mainly from cash paid for bank overdrafts and short-term loans from financial institutions of Baht 1,463 million, the payment of a principal portion of lease liabilities of Baht 1,167 million, and repayment of the debentures of Baht 1,000 million being netted off with cash received from long-term loans from financial institutions of Baht 2,300 million.

Analysis of Financial Ratios

Financial Ratios	Q3/2022	2021
Current Ratio (times)	0.5	0.6
Interest Bearing Debt / Equity (times)	1.2	1.3
Interest Bearing Debts (excluding lease liabilities) / Equity (times)	0.8	0.9

As of September 30, 2022, the Company's current ratio was at 0.5 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 1.2 times and 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 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, prudent investment plans, and dynamic sale and marketing campaigns corresponding to changes in market situations and guest mix are the key strategies under uncertain circumstances and during the beginning of the recovery pace. Additionally, the company has prepared a plan for USD loan 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. Additionally, the management fees are fully recorded 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, Natural disasters, and the conflict between Ukraine and Russia have a great impact on raw materials and energy prices. The company has realized and paid attention to cost control efficiency, including continually negotiating with suppliers, finding alternative sources for raw materials, and carefully implementing menu price adjustments to mitigate the impact of cost-push inflation and to

optimize the balance between the value to customers 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 42 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, inflation, the uncertainty of global economic recovery, and the geopolitical conflicts. However, reopening the country is a great positive factor in tourism as shown by a significant increase in the number of tourist arrivals. The Company estimated an occupancy rate in 2022 (including the hotel in Dubai) between 45% - 50%, and Revenue per Available Room (RevPAR) would be approximately Baht 2,200 - 2,500.
 - Food Business: according to the dynamics of consumers' behaviour, the company aims to develop new services and products to meet the changing demand. In 2022, the Company targeted Same Store Sales (SSS) growth between 15% to 18% 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 200-220 outlets (including the shop-in-shop of Arigato in Mister Donut) compared to 2021.

For your information accordingly;

Respectfully Yours,



(Mr. Gun Srisompong)

CFO & VP Finance and Administration