

Ref. No. PLAT 02/2023

February 28, 2023

Subject: Management Discussion and Analysis (MD&A) Yearly Ending December 31, 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 year 2022 ended December 31, 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 continuing recovery of tourism sector. As a result, businesses targeting foreign tourists have significantly recovered.

- **Hotel business and food center business**

The operations of the hotel and food center businesses are showing signs of significant improvement, especially since 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.

The Company's quarterly performance for the year 2022 has continuously recovered. The results can be summarized as follows:

Unit: Million Baht

Description	Quarter 1	Quarter 2	Quarter 3 (Remark)	Quarter 4	Full Year
Total Revenues	108	169	271	354	902
Change (% QoQ)		57%	60%	31%	
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	(13)	38	14	147	186
% EBITDA Margin	-12%	23%	5%	42%	21%
Change (% QoQ)		392%	-63%	950%	
(Loss) for the Period	(135)	(82)	(127)	(15)	(359)
% Net Profit Margin	-125%	-48%	-47%	-4%	-40%
Change (% QoQ)		39%	-55%	88%	

Remark: Quarter 3 results were affected by 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 such extraordinary item, the Company's quarterly performance for the year 2022 can be summarized as follows:

Unit: Million Baht

Description	Quarter 1	Quarter 2	Quarter 3 (Remark)	Quarter 4	Full Year
Total Revenues	108	169	271	354	902
Change (% QoQ)		57%	60%	31%	
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	(13)	38	98	147	270
% EBITDA Margin	-12%	23%	36%	42%	30%
Change (% QoQ)		392%	158%	50%	
(Loss) for the Period	(135)	(82)	(43)	(15)	(275)
% Net Profit Margin	-125%	-48%	-16%	-4%	-30%
Change (% QoQ)		39%	48%	65%	

As for the Company's operating results for the year 2022 compared to the year 2021, the details are as follows:

1. Total Revenues

The Company's total revenues for the year 2022 were Baht 902 million, increased from 2021 by Baht 459 million or 104%. The details are as follows:

Unit: Million Baht

Description	2022	2021	Change + / (-)	
				% YoY
Revenues from Rental and Services	436	333	103	31%
Revenues from Hotel Operations	319	37	282	762%
Revenues from Food and Beverage	123	32	91	284%
Other Revenues	24	41	(17)	(41%)
Total Revenues	902	443	459	104%

1.1 Revenues from Rental and Services

The Company's revenues from rental and services for the year 2022 were Baht 436 million, increased from 2021 by Baht 103 million or 31% due to positive factors from people returning to live normal daily life as a result of relaxation of the COVID-19 disease control measures as well as continuing recovery of tourism sector. As a result, businesses targeting foreign tourists have recovered, 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

The Company's revenues from hotel operations for the year 2022 were Baht 319 million, increased from 2021 by Baht 282 million or 762%, 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 since the second quarter of 2022. Moreover, the Company had additional revenues from the opening of Holiday Inn Resort Samui Bophut Beach since October 1, 2022.

1.3 Revenues from Food and Beverage

The Company's revenues from food and beverage for the year 2022 were Baht 123 million, increased from 2021 by Baht 91 million or 284%, mainly because 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 since the second quarter of 2022.

1.4 Other Revenues

The Company's other revenues for the year 2022 were Baht 24 million, decreased from 2021 by Baht 17 million or 41%, 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

The Company's total costs for the year 2022 were Baht 702 million, increased from 2021 by Baht 154 million or 28%. The details are as follows:

Unit: Million Baht

Description	2022	2021	Change + / (-)	
			% YoY	
Cost of Rental and Services	455	439	16	4%
Cost of Hotel Operations	147	74	73	99%
Cost of Food and Beverage	100	35	65	186%
Total Costs	702	548	154	28%

2.1 Cost of Rental and Services

The Company's cost of rental and services for the year 2022 was Baht 455 million, increased from 2021 by Baht 16 million or 4%. The details are as follows:

- Depreciation and amortization cost was Baht 282 million, no change from 2021 because it is fixed cost.
- Land and building tax was Baht 28 million, increased from 2021 by Baht 26 million because the government did not extend 90% discount on land and building tax as same as last year.

- Other costs of rental and services was Baht 145 million, decreased from 2021 by Baht 10 million or 6% 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

The Company's cost of hotel operations for the year 2022 was Baht 147 million, increased from 2021 by Baht 73 million or 99%. 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

The Company's cost of food and beverage for the year 2022 was Baht 100 million, increased from 2021 by Baht 65 million or 186%. 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	2022	2021	Change + / (-)	
			% YoY	
Selling and Administrative Expenses	368	273	95	35%
Selling and Administrative Expenses (Excluding extraordinary item)	284	273	11	4%
Finance Cost	135	130	5	4%
Income Tax Expense	63	7	56	800%

3.1 Selling and Administrative Expenses

The Company's selling and administrative expenses for the year 2022 were Baht 368 million, increased from 2021 by Baht 95 million or 35%, 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 were Baht 284 million, increased from 2021 by Baht 11 million or 4%, mainly due to pre-opening expenses of Holiday Inn Resort Samui Bophut Beach.

3.2 Finance Cost

The Company's finance cost for the year 2022 was Baht 135 million, slightly increased from 2021 by Baht 5 million or 4%, mainly due to interest recognition according to TFRS16 about lease as well as interest payment for short-term loans from bank.

3.3 Income Tax Expense

The Company's income tax expense for the year 2022 was Baht 63 million, increased from 2021 by Baht 56 million because the Company had profit from the separate operating results for the year 2022 but had loss from the separate operating results in 2021.

4. Profit (Loss) for the Year

Unit: Million Baht

Description	2022	2021	Change + / (-)	
			% YoY	
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	186	(17)	203	1,194%
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA) (Excluding extraordinary item)	270	(17)	287	1,688%
(Loss) for the Year	(359)	(506)	147	29%
(Loss) for the Year (Excluding extraordinary item)	(275)	(506)	231	46%

The Company's profit before depreciation, amortization, finance income & cost and income tax (EBITDA) for the year 2022 was Baht 186 million, increased from 2021 by Baht 203 million or 1,194%.

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) was Baht 270 million, increased from 2021 by Baht 287 million or 1,688%.

The Company's loss for the year 2022 was Baht 359 million, decreased from 2021 by Baht 147 million or 29%.

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 year was Baht 275 million, decreased from 2021 by Baht 231 million or 46%.

5. Financial Position

Unit: Million Baht

Description	December 31, 2022		December 31, 2021		Change + / (-)	
	MB	Proportion	MB	Proportion	MB	%
Total Assets	11,903	100%	11,565	100%	338	3%
Total Liabilities	4,448	37%	3,761	33%	687	18%
Shareholder's Equity	7,455	63%	7,804	67%	(349)	(4%)

5.1 Total Assets

As at December 31, 2022, the Company's total assets were Baht 11,903 million, increased by Baht 338 million or 3% compared to December 31, 2021, due to the following reasons:

- **Current assets** decreased by Baht 798 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 Bophut Beach.
- **Non-current assets** increased by Baht 1,136 million, mainly due to costs of construction of The Market Bangkok Phase II and Holiday Inn Resort Samui Bophut Beach.

5.2 Total Liabilities

As at December 31, 2022, the Company's total liabilities were Baht 4,448 million, increased by Baht 687 million or 18% compared to December 31, 2021, mainly because of increase in trade and other payables for Baht 376 million which was mainly caused by construction payables of The Market Bangkok Phase II and Holiday Inn Resort Samui Bophut Beach as well as increase in lease liabilities for Baht 125 million due to recognition of lease liabilities according to TFRS16 about lease and increase in short-term loans from bank for Baht 100 million.

5.3 Shareholder's Equity

As at December 31, 2022, the Company's shareholder's equity was Baht 7,455 million, decreased by Baht 349 million or 4% compared to December 31, 2021 due to net loss for the year amounting to Baht 359 million, partially offset with actuarial gain from lower provision for long-term employee benefits amounting to Baht 10 million which was recorded under other comprehensive income.

Please be informed accordingly.

Sincerely yours,

Mr. Suwit Wannasirisook

Chief Financial Officer

Authorized Person for Information Disclosure

Investor Relations

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