

Ref. No. PLAT 11/2023

August 8, 2023

Subject: Management Discussion and Analysis (MD&A) for the second quarter of 2023

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, 2023 (second quarter of 2023).

The details are as follows:

1. Total Revenues

Ended June 30, 2023, the Company’s total revenues for the three-month period was Baht 443 million, increased by Baht 274 million or 162% and for the six-month period was Baht 829 million, increased by Baht 552 million or 199% compared to the same period last year. The details are as follows:

Unit: Million Baht

Description	Three-Month Period				Six-Month Period			
	2023	2022	Change + / (-)		2023	2022	Change + / (-)	
Revenues from Rental and Services	219	83	136	164%	383	148	235	159%
Revenues from Hotel Operations	166	56	110	196%	332	80	252	315%
Revenues from Food and Beverage	51	25	26	104%	95	38	57	150%
Other Revenues	7	5	2	40%	19	11	8	73%
Total Revenues	443	169	274	162%	829	277	552	199%

1.1 Revenues from Rental and Services

Ended June 30, 2023, the Company's revenues from rental and services for the three-month period was Baht 219 million, increased by Baht 136 million or 164% and for the six-month period was Baht 383 million, increased by Baht 235 million or 159% compared to the same period last year. This was due to positive economic activities within the country, returning to normalcy after the cancellation of COVID-19 control measures. The tourism industry has also been continuously recovering, resulting in business targeting international tourists expanding, leading to more shops renting space within the Company's shopping centers. Also, The Company was able to gradually increase the rental and service rates. Additionally, the Company has reopened Zone 3 of the Platinum Fashion Mall (located within the Novotel Bangkok Platinum Pratunam) since April 2023, resulting in a significant increase in the Company's revenues from rental and services.

1.2 Revenues from Hotel Operations

Ended June 30, 2023, the Company's revenues from hotel operations for the three-month period was Baht 166 million, increased by Baht 110 million or 196% and for the six-month period was Baht 332 million, increased by Baht 252 million or 315% compared to the same period last year. This was due to the recovery of the tourism industry after the COVID-19 pandemic situation eased and the relaxation of travel restrictions among countries around the world. As a result, the Company saw a significant increase in foreign customers. The Novotel Bangkok Platinum Pratunam had an average occupancy rate of 90% during the first two quarters of 2023. In addition, the Company also generated revenues from the opening of the Holiday Inn Resort Samui Bophut Beach since October 1, 2022, with an average occupancy rate of 58% during the first two quarters of 2023.

1.3 Revenues from Food and Beverage

Ended June 30, 2023, the Company's revenues from food and beverage sales for the three-month period was Baht 51 million, increased by Baht 26 million or 104% and for the six-month period was Baht 95 million, increased by Baht 57 million or 150% compared to the same period last year. This was due to the economic activities within the country returning to normal as a result of the lifting of COVID-19 control measures and the recovery of the tourism sector. This led to a significant increase in the number of both local and foreign customers, using the Company's food center services.

1.4 Other Revenues

Ended June 30, 2023, the Company's other revenues for the three-month period was Baht 7 million, increased by Baht 2 million or 40% and for the six-month period was Baht 19 million, increased by Baht 8 million or 73% compared to the same period last year. The main reason for the increase was due to forfeited deposit and penalty fee from late return of rental space from tenants and revenue from sales of remaining steel scraps from construction work.

2. Total Costs

Ended June 30, 2023, the Company's total costs for the three-month period was Baht 253 million, increased by Baht 100 million or 65% and for the six-month period was Baht 497 million, increased by Baht 196 million or 65% compared to the same period last year. The details are as follows:

Unit: Million Baht

Description	Three-Month Period				Six-Month Period			
	2023	2022	Change + / (-)		2023	2022	Change + / (-)	
Cost of Rental and Services	129	105	24	23%	255	221	34	15%
Cost of Hotel Operations	83	28	55	196%	165	48	117	244%
Cost of Food and Beverage	41	20	21	105%	77	32	45	140%
Total Costs	253	153	100	65%	497	301	196	65%

2.1 Cost of Rental and Services

Ended June 30, 2023, the Company's cost of rental and services for the three-month period was Baht 129 million, increased by Baht 24 million or 23% and for the six-month period were Baht 255 million, increased by Baht 34 million or 15% 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.

- Other costs of rental and services for the three-month period was Baht 59 million, increased by Baht 24 million or 68% and for the six-month period was Baht 115 million, increased by Baht 34 million or 42% compared to the same period last year, which is in line with the increase in revenues and higher operating costs due to the reopening of Zone 3 of the Platinum Fashion Mall. However, the increase in costs is proportionately lower than the increase in revenues due to the Company's effective cost management and control of operational costs, such as utility costs, repair and maintenance costs, as well as outsourcing costs such as cleaning services, security expenses, and car parking management fees.

2.2 Cost of Hotel Operations

Ended June 30, 2023, the Company's cost of hotel operations for the three-month period was Baht 83 million, increased by Baht 55 million or 196% and for the six-month period were Baht 165 million, increased by Baht 117 million or 244% compared to the same period last year, which was in line with the increase in revenues and the opening of the Holiday Inn Resort Samui Bophut Beach since October 1, 2022. However, the increase in costs is proportionately lower than the increase in revenues because the Company efficiently controlled operating costs for maximum efficiency.

2.3 Cost of Food and Beverage

Ended June 30, 2023, the Company's cost of food and beverage for the three-month period was Baht 41 million, increased by Baht 21 million or 105% and for the six-month period were Baht 77 million, increased by Baht 45 million or 140% compared to the same period last year, which was in line with the increase in revenues. However, the increase in costs is proportionately lower than the increase in revenue because the Company efficiently controlled operating costs for maximum efficiency.

3. Expenses

Unit: Million Baht

Description	Three-Month Period				Six-Month Period			
	2023	2022	Change + / (-)		2023	2022	Change + / (-)	
Selling and Administrative Expenses	83	63	20	32%	162	120	42	35%
Finance Cost	38	34	4	12%	76	67	9	13%
Income Tax Expense	39	4	35	875%	61	9	52	577%

3.1 Selling and Administrative Expenses

Ended June 30, 2023, the Company's selling and administrative expenses for the three-month period was Baht 83 million, increased by Baht 20 million or 32% and for the six-month period was Baht 162 million, increased by Baht 42 million or 35% compared to the same period last year. The main reason for the increase was due to the increased sales and marketing expenses and administrative expenses of hotel business. The details are as follows:

- Sales & marketing and administrative expenses of Novotel Bangkok Platinum Pratunam for the three-month period increased by Baht 8 million and for the six-month period increased by Baht 17 million compared to the same period last year, which was in line with the increase in revenues as the hotel returned to normal operations following the recovery of the tourism industry after the COVID-19 pandemic situation eased.
- Sales & marketing and administrative expenses of Holiday Inn Resort Samui Bophut Beach for the three-month period increased by Baht 12 million and for the six-month period increased by Baht 26 million compared to the same period last year due to the hotel starting its operations in the fourth quarter of 2022.

3.2 Finance Cost

Ended June 30, 2023, the Company's finance cost for the three-month period was Baht 38 million, slightly increased by Baht 4 million or 12% and for the six-month period was Baht 76 million, slightly increased by Baht 9 million or 13% compared to the same period last year, mainly due to interest expense recognition according to TFRS16 about lease as well as higher interest paid on short-term loans from bank because of an increase in the principal amount of Baht 200 million and higher interest rate of the bank.

3.3 Income Tax Expense

Ended June 30, 2023, the Company's income tax expense for the three-month period was Baht 39 million, increased by Baht 35 million or 875% and for the six-month period was Baht 61 million, increased by Baht 52 million or 577% compared to the same period last year because the Company's profit from the separate operating results of 2023 has increased significantly from the same period last year.

4. Profit (Loss) for the Period

Unit: Million Baht

Description	Three-Month Period				Six-Month Period			
	2023	2022	Change + / (-)		2023	2022	Change + / (-)	
Profit (Loss) before Depreciation, Amortization, Finance Income & Cost and Income Tax (EBITDA)	206	38	168	442%	370	25	345	1,380%
Net Profit (Loss) for the Period	33	(82)	115	140%	42	(217)	259	119%

Ended June 30, 2023, the Company's profit before depreciation, amortization, finance income & cost and income tax (EBITDA) for the three-month period was Baht 206 million, increased by Baht 168 million or 442% and for the six-month period was Baht 370 million, increased by Baht 345 million or 1,380% compared to the same period last year.

Ended June 30, 2023, the Company's net profit for the three-month period was Baht 33 million, turnaround from a net loss in the same period last year of Baht 82 million, or increased by Baht 115 million and for the six-month period was Baht 42 million, turnaround from a net loss in the same period last year of Baht 217 million, or increased by Baht 259 million. This is the first two consecutive profitable quarters since the second quarter of 2020, after the COVID-19 pandemic that lasted more than two years, indicating a positive recovery of the Company's business after the situation of the COVID-19 pandemic has eased.

5. Financial Position

Unit: Million Baht

Description	June 30, 2023		December 31, 2022		Change + / (-)	
	MB	Proportion	MB	Proportion	MB	%
Total Assets	11,913	100%	11,903	100%	10	0.1%
Total Liabilities	4,416	37%	4,448	37%	(32)	(0.7%)
Shareholder's Equity	7,497	63%	7,455	63%	42	0.6%

5.1 Total Assets

As at June 30, 2023, the Company had total assets of Baht 11,913 million, slightly increased by Baht 10 million or 0.1% compared to December 31, 2022. Cost of fixed assets increased approximately Baht 226 million mainly due to the construction cost of The Market Bangkok Phase 2 (including “PIER 111” office building and Moxy Hotel Bangkok Ratchaprasong) offset by depreciation and amortization cost for the period of approximately Baht 198 million.

5.2 Total Liabilities

As at June 30, 2023, the Company had total liabilities of Baht 4,416 million, slightly decreased by Baht 32 million or 0.7% compared to December 31, 2022 due to a decrease in trade & other payables and other liabilities by Baht 232 million, offset by an increase in short-term loans from bank by Baht 200 million.

5.3 Shareholder's Equity

As at June 30, 2023, the Company's shareholder's equity increased to Baht 7,497 million, up from the equity as at December 31, 2022 by Baht 42 million or 0.6% due to net profit for the period.

Please be informed accordingly.

Sincerely yours,

Mr. Suwit Wannasirisook

Chief Financial Officer

Authorized Person for Information Disclosure

Investor Relations

Tel: 02-121-9999 ext. 55