

Krabi tourism looks to 'The Sandbox' to turn back clock to 2019

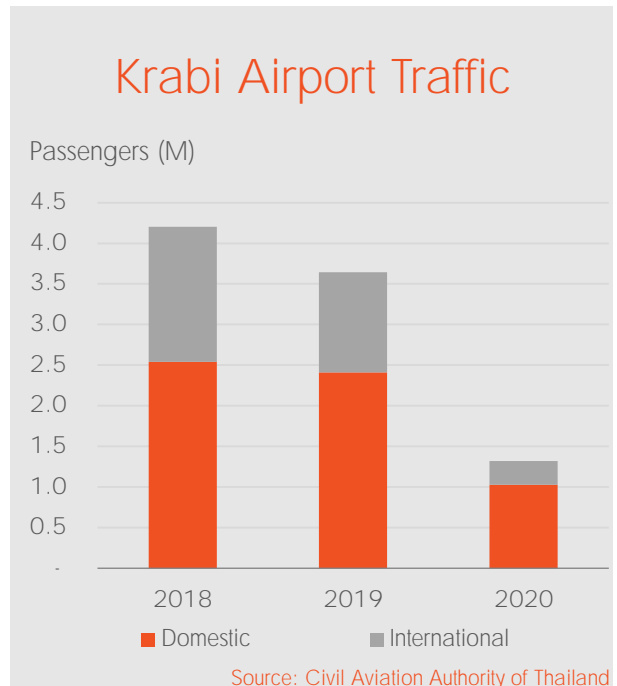
New airport terminal coming later part of this year

"Despite Thailand shutting the door on international tourists in March 2020, Krabi Airport trafficked over one million domestic passengers last year. Outside of Bangkok the destination had the fifth-highest airport passenger tally in the country.

While hoteliers are looking at the reopening of international markets in October as a second-phase of Thailand's Sandbox initiative, many wonder how long is the next cycle back to stabilized trading of the pre-Covid 2019 era?

In the South of Thailand, with Phuket firmly encamped in mass tourism and Samui hampered by airlift limitations, Krabi is reaching a critical intersection on what market model to pursue. In contrast to Phuket, Samui or Phang Nga, Krabi had the highest level of domestic guests at accommodation establishments, with Thais accounting for 43% in 2019.

Prior to COVID-19, the destination hosted 4,186,069 guests at accommodation establishments in 2019. Mainland China was the largest international source market, representing 14% followed by the European market weighing in with 27% of the share, highlighted by the UK, Germany and France. The existing hotel supply in Krabi is highly concentrated with unbranded midscale properties.



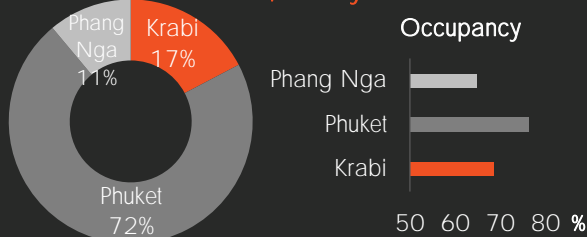
In the pipeline, the incoming key properties are affiliated with international hotel brands which is a sign of destination maturity. With more upscale and luxury properties entering the market, Krabi will benefit from growing destination awareness and greater diversified market segments."

Bill Barnett, Managing Director, C9 Hotelworks

Krabi vs. Phuket vs. Phang Nga

Total Registered Establishments:

129,420 keys



Source: Thailand Ministry of Tourism and Sports *Data as of FY2019

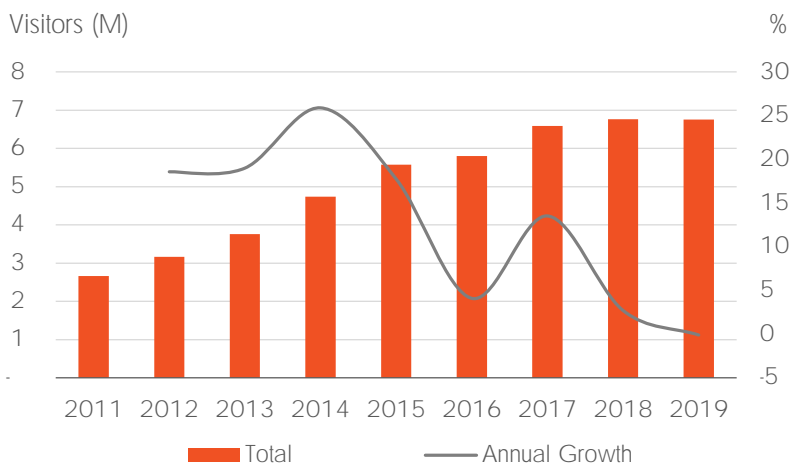
Forward Outlook

- Upgrade and expansion of the existing Krabi Airport including a new terminal and runway will attract airlift and grow capacity.
- A 2km bridge connection to Koh Lanta and the mainland is under planning. Construction is expected to commence in 2023.
- The marine-based Andaman Ring project, which will have ferry services connecting Phuket, Phang Nga and Krabi remains a work in progress.

TOURISM MARKET REVIEW

Tourism Indicators

Krabi Visitors



Compound Annual Growth Rate

2011 - 2019: **12%**

Total Visitors

6.76 million

Tourism Revenue & Average Daily Spend



Average Daily Spend per Visitor

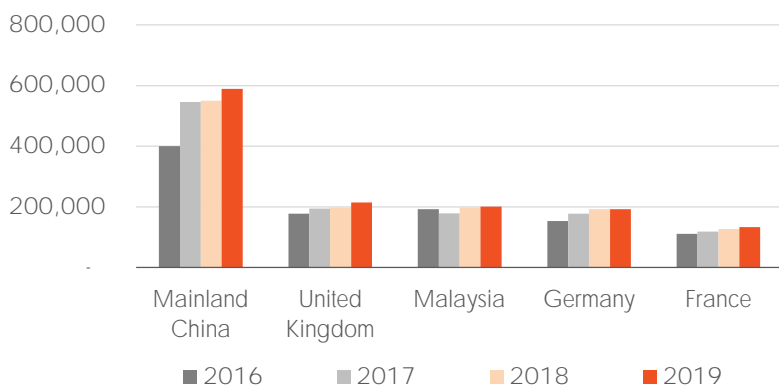
THB5,345

Tourism Revenue

THB112,056 million

Top 5 International Geographic Source Markets

Guests at Accommodation Establishments



Mainland China: **14.1%**

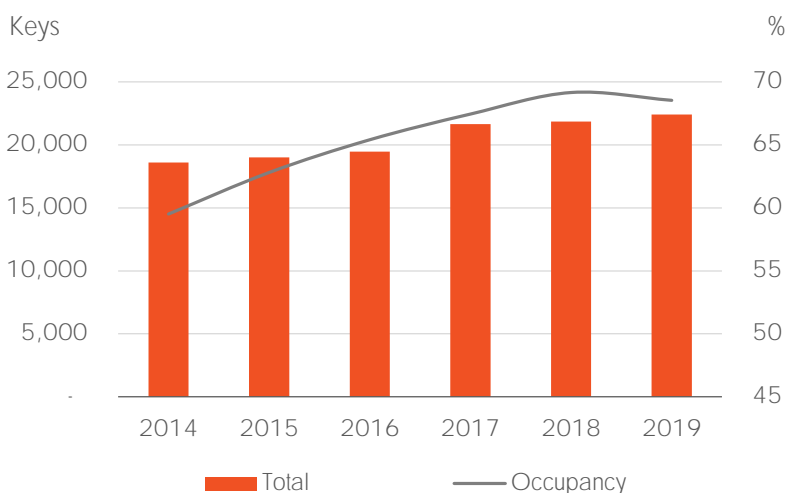
United Kingdom: **5.1%**

Malaysia: **4.8%**

Source: Thailand Ministry of Tourism and Sports
*Data as of FY2019

Hotel Supply

Accommodation Establishments & Occupancy



Total Supply

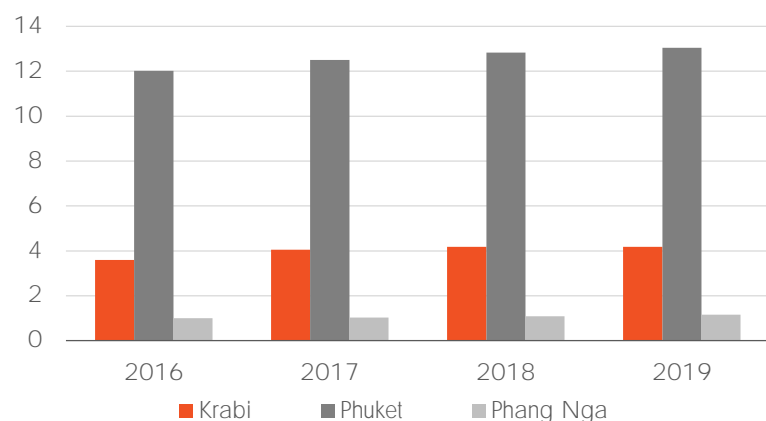
22,405 Keys

Occupancy

69%

Krabi vs. Phuket vs. Phang Nga

Guests at Accommodation Establishments (M)



Average Length of Stay

Krabi: 4.3 nights

Phuket: 3.8 nights

Phang Nga: 4.6 nights

Source: Thailand Ministry of Tourism and Sports
* Data as of FY2019

Krabi Hotel Pipeline

There are five notable upcoming hotels with a total of 1,096 keys. All are affiliated with international brands. Three are located in Ao Nang, which is the main tourism area and gateway to surrounding attractions.

| Hotel Name | Location | Keys | Opening Year |
|------------------------------------|----------------------|------|--------------|
| Hilton Garden Inn Krabi Ao Nang | Ao Nang | 200 | 2022 |
| Holiday Inn Express Krabi Downtown | Pheikasem Road | 201 | 2023 |
| Movenpick Resort Ao Nang Krabi | Ao Nang | 250 | 2023 |
| Novotel Krabi Ao Nang | Ao Nang | 195 | 2023 |
| Club Med Krabi | Nuea Khlong District | 250 | TBA |

Source: C9 Hotelworks Market Research

About C9 Hotelworks



BILL BARNETT

MANAGING DIRECTOR

C9 Hotelworks is an internationally recognized consulting firm with extensive experience in the Asia Pacific region. Its core business focus includes:

- Hotel and Resort Development
- Asset Management / Ownership Representation
- Project Feasibility and Analysis

Key competencies include international hotel operator search, selection and contract negotiation, mixed use hotel and residential planning and operation reviews.

A wide range of both institutional and private developers and a comprehensive portfolio of completed projects give C9 the skill set and background to focus on key issues, evaluate complex ones and assist clients in achieving solid results. Based in Phuket, Thailand and led by Managing Director Bill Barnett, who has 30 years of experience in Asia Pacific, the firm is well positioned to serve an increasing demanding marketplace.