

February 27, 2019

The President & Director,

The Stock Exchange of Thailand (SET)

LETTER OF CLARIFICATION for CENTEL's Performance Results for Q4/2018 and the Year ended
December 31, 2018

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 Q4/2018 and the year ended December 31, 2018, with the following details:

1. Overview of the Tourism Industry in Thailand and the Maldives
2. Analysis of the Company's Consolidated Performance Results and of the Operating Results for each respective Business Group
3. Financial Status of the Company
4. Factors that may impact ongoing business operations, and Business Trends for 2019

1. Overview of the Tourism Industry Sector

1.1 Tourism Industry in Thailand

Total international tourist arrivals in Q4/2018 was 9.7 million, an increase of 4.3% compared to the same period last year - or Year-on-Year (YoY), resulting from the growth in the top 3 source markets for tourist arrivals, namely: Malaysia, India and Hong Kong. While at the same time, total tourist arrivals from China decreased by 10.5% YoY, due to the tourist boat accident in Phuket in July. However, since that tragic incident, the sign of a recovery for Chinese tourist arrivals could be seen in December, when there was a positive increase in the number of Chinese tourist arrivals.

For 2018, there was a total international tourist arrivals of 38.3 million, an increase of 7.9% YoY, mainly as a result of the YoY growth in tourists arrivals from China (+7.4%), Malaysia (+19.0%), and Hong

Kong (+23.7%); whereby accounting for 27.5%, 10.7% and 2.7% of the total number of international tourist arrivals, respectively.

1.2 Tourism Industry in the Maldives

Total Q4/2018 tourist arrivals was 403,815, an increase of 3.1% YoY. This mainly resulted from the overall increase in total tourist arrivals from Europe, accounting for 52.0% of total tourist arrivals, with the main groups of tourists being: Italian, English, and German - that increased by 17.6% YoY, 9.9% YoY and 3.9% YoY, respectively. At the same time, the total number of Chinese tourists decreased by 12.6% compared to the last year. However, Chinese tourists still remained the top rank, accounting for 15.1% of the total number of tourist arrivals.

For 2018, total tourist arrivals was 1,484,274, an increase of 6.8% YoY, that was mainly the result of the increase in tourists from Italy (+18.5% YoY), UK (+10.2% YoY), and Germany (+4.8% YoY). At the same time, the supply (number of hotel beds), as at December 31, 2018, was a total of 43,660 beds, an increase of 7.6% YoY.

2. Analysis of the Company's Consolidated Performance Results and of the Operating Results
for each respective Business Group

2.1 Analysis of the Consolidated Operating Performance Results

Operating Performance Results - Q4/2018 vs Q4/2017

| (Amount - in Baht Million) | Q4/2018 | | Q4/2017 | | Changes YoY (Increase + / Decrease -) | |
|---|----------------|---------------|----------------|---------------|--|--------------|
| | Amount | % | Amount | Amount | % | Amount |
| Revenues - hotel business ⁽¹⁾ | 2,465.6 | 44.7% | 2,453.3 | 46.1% | 12.3 | 0.5% |
| Revenues - food business | 3,048.6 | 55.3% | 2,867.1 | 53.9% | 181.5 | 6.3% |
| Total revenues | 5,514.2 | 100.0% | 5,320.4 | 100.0% | 193.8 | 3.6% |
| Cost of sales - hotel business | 880.0 | 16.0% | 883.9 | 16.6% | (3.9) | -0.4% |
| Cost of sales - food business | 1,493.4 | 27.1% | 1,349.6 | 25.4% | 143.8 | 10.7% |
| Total cost of sales⁽²⁾ | 2,373.4 | 43.0% | 2,233.5 | 42.0% | 139.9 | 6.3% |
| Less: Selling & General Administrative Expenses | 1,938.9 | 35.2% | 1,913.0 | 36.0% | 25.9 | 1.4% |
| Add: Share of Profit (Loss) - Investments (by the equity method) | (2.6) | 0.0% | 0.5 | 0.0% | (3.1) | -620.0% |
| Earning before Interest, Tax, Depreciation and Amortization (EBITDA) | 1,199.3 | 21.7% | 1,174.4 | 22.1% | 24.9 | 2.1% |
| Less: Depreciation & Amortization | (525.9) | -9.5% | (470.0) | -8.8% | 55.9 | 11.9% |
| Earning before Interest and Tax (EBIT) | 673.4 | 12.2% | 704.4 | 13.2% | (31.0) | -4.4% |
| Less: Finance Costs | (48.9) | -0.9% | (54.6) | -1.0% | (5.7) | -10.4% |
| Less: Corporate Income Tax | (109.5) | -2.0% | (107.5) | -2.0% | 2.0 | 1.9% |
| Less: Profit from Non-Controlling Interests | (30.0) | -0.5% | (35.8) | -0.7% | (5.8) | -16.2% |
| Core Operating Profit | 485.0 | 8.8% | 506.5 | 9.5% | (21.5) | -4.2% |
| Extraordinary Items : | | | | | | |
| Extra Sharing Loss from Investment by Equity Method | | | | | | |
| - Loss from Asset Appraisals | (3.9) | -0.1% | (64.9) | -1.2% | (61.0) | -94.0% |
| Net Profit | 481.1 | 8.7% | 441.6 | 8.3% | 39.5 | 8.9% |

(1) Includes income from the amortization of deferred rental income from the Centara Grand Beach Resort Samui, totaling Baht 25.3 million/Quarter.

(2) Cost of Sales excludes depreciation and amortization costs allocated as Cost of Sales

Q4/2018: The Company achieved total consolidated revenues of Baht 5,514.2 million (Q4/2017: Baht 5,320.4 million), an increase of Baht 193.8 million (or 3.6%) Year-on-Year (YoY), mainly resulting from the increase in Food Business revenues. As such, the revenues mix between the Hotel Business and the Food Business was 45% : 55% (Q4/2017: 46% : 54%), while total consolidated gross profit was Baht 3,008.9 million (Q4/2017: Baht 2,928.8 million), an increase of 3.6% YoY. The Company achieved total consolidated EBITDA of Baht 1,199.3 million (Q4/2017: Baht 1,174.4 million), an increase of Baht 24.9 million (or 2.1%) from Q4/2017; whereby the achieved EBITDA margin decreased slightly to 21.7% (Q4/2017: 22.1%) as a result of the achieved EBITDA margin for the Food Business. Thus, the Company achieved a total consolidated net profit of Baht 481.1 million (Q4/2017: Baht 441.6 million), an increase of Baht 39.5 million (or 8.9%) YoY, resulting from the decrease in the shared losses from the investment in property fund by equity method (due to the loss from asset appraisals), totaling Baht 61.0 million.

Operating Performance Results - 2018 vs 2017

| (Amount - in Baht Million) | 2018 | | 2017 | | Changes YoY (Increase + / Decrease -) | |
|---|-----------------|---------------|-----------------|---------------|--|-------------|
| | Amount | % | Amount | % | Amount | % |
| Revenues - hotel business ⁽¹⁾ ⁽²⁾ | 9,764.3 | 44.9% | 9,357.9 | 46.0% | 406.4 | 4.3% |
| Revenues - food business | 12,003.9 | 55.1% | 10,987.6 | 54.0% | 1,016.3 | 9.2% |
| Total Revenues | 21,768.2 | 100.0% | 20,345.5 | 100.0% | 1,422.7 | 7.0% |
| Cost of Sale - Hotel Business | 3,438.1 | 15.8% | 3,329.2 | 16.4% | 108.9 | 3.3% |
| Cost of Sale - Food Business ⁽³⁾ | 5,720.7 | 26.3% | 5,174.2 | 25.4% | 546.5 | 10.6% |
| Total Cost of Sales⁽³⁾ | 9,158.8 | 42.1% | 8,503.4 | 41.8% | 655.4 | 7.7% |
| Less: Selling and General Administrative Expenses | 7,682.3 | 35.3% | 7,170.6 | 35.2% | 511.7 | 7.1% |
| Add: Share of Profit from Investment (By Equity Method) | 39.3 | 0.2% | 30.3 | 0.1% | 9.0 | 29.7% |
| Earning before Interest, Tax, Depreciation and Amortization (EBITDA) | 4,966.4 | 22.8% | 4,701.8 | 23.1% | 264.6 | 5.6% |
| Less: Depreciation and Amortization | (2,044.9) | -9.4% | (1,914.0) | -9.4% | 130.9 | 6.8% |
| Earning before Interest and Tax (EBIT) | 2,921.5 | 13.4% | 2,787.8 | 13.7% | 133.7 | 4.8% |
| Less: Finance Costs | (204.6) | -0.9% | (223.9) | -1.1% | (19.3) | -8.6% |
| Less: Corporate Income Tax | (438.8) | -2.0% | (407.6) | -2.0% | 31.2 | 7.7% |
| Less: Profit from Non-Controlling Interests | (96.7) | -0.4% | (100.0) | -0.5% | (3.3) | -3.3% |
| Core Operating Profit | 2,181.4 | 10.0% | 2,056.3 | 10.1% | 125.1 | 6.1% |
| Extraordinary Items : | | | | | | |
| Extra Sharing Loss from Investment by Equity Method | | | | | | |
| - Loss from Asset Appraisals | (3.9) | 0.0% | (64.9) | -0.3% | (61.0) | -94.0% |
| Net Profit | 2,177.5 | 10.0% | 1,991.4 | 9.8% | 186.1 | 9.4% |

(1) Includes income from the amortization of deferred rental income from the Centara Grand Beach Resort Samui, totaling Baht 100.3 million

(2) Includes insurance claims payment for flood damages to the Centara Grand Phuket, totaling Baht 35.9 million, received in Q1/2017

(3) Cost of Sales excludes depreciation and amortization costs allocated as Cost of Sales

2018: The Company achieved total consolidated revenues of Baht 21,768.2 million (2017: Baht 20,345.5 million), an increase of Baht 1,422.7 million (or 7.0% YoY), resulting from the increased revenues for both the Hotel and Food Businesses; whereby the revenues mix between the Hotel Business and the Food Business was 45% : 55% (2017: 46% : 54%) and the achieved total gross profit was Baht 12,104.2 million (2017: Baht 11,311.0 million), an increase of Baht 793.2 million (or 7.0% YoY). The Company achieved total EBITDA of Baht 4,966.4 million (2017: Baht 4,701.8 million), an increase of Baht 264.6 million (or 5.6% YoY), with an achieved EBITDA margin of 22.8% that was a marginal decrease from the previous year (2017 :23.1%) due to the achieved EBITDA margin for the Food Business. As such, the Company achieved total consolidated net profit of Baht 2,177.5 million (2017: Baht 1,991.4 million), an increase of Baht 186.1 million (or 9.4% YoY), as a result of the decrease in the shared losses from the investment in property fund by equity method (due to the loss from asset appraisals), totaling Baht 61.0 million, together with the efficient financing cost management.

2.2 Analysis of the Operating Results for each respective Businesses Group

2.2.1 Hotel Business

As at December 31, 2018, CENTEL had a total of 68 hotel properties (with a total of 13,477 rooms) under its management in its Hotel Business portfolio, comprising of 39 hotels (7,563 rooms) that are already in operation together with 29 hotels (5,914 rooms) still under development. As such, of the total 39 hotels already in operation, 17 hotels (4,184 rooms) are own hotels and the remaining 22 hotels (3,379 rooms) are hotels operating under the Hotel Management Agreements.

Hotel Business: Q4/2018 Operating Results (for own hotels)

| Occupancy Rate (OCC) % | Original group of hotels performance (excluding the CENTRA and COSI Hotels) | | | Total performance (including the CENTRA and COSI Hotels) | | |
|---------------------------|--|--------------|---------------|---|--------------|---------------|
| | Q4/2018 | Q4/2017 | Changes - YoY | Q4/2018 | Q4/2017* | Changes - YoY |
| Bangkok | 84.8% | 83.5% | 1.3% | 83.5% | 83.5% | - |
| Upcountry | 81.1% | 83.3% | -2.2% | 80.0% | 83.3% | -3.3% |
| Maldives | 92.1% | 90.5% | 1.6% | 92.1% | 90.5% | 1.6% |
| Thailand - Average | 82.2% | 83.3% | -1.1% | 81.1% | 83.3% | -2.2% |
| Total - Average | 82.8% | 83.8% | -1.0% | 81.8% | 83.8% | -2.0% |

| Average Room Rate (ARR) Baht | Original group of hotels performance (excluding the CENTRA and COSI Hotels) | | | Total performance (including the CENTRA and COSI Hotels) | | |
|---------------------------------|--|--------------|---------------|---|--------------|---------------|
| | Q4/2018 | Q4/2017 | Changes - YoY | Q4/2018 | Q4/2017* | Changes - YoY |
| Bangkok | 3,502 | 3,587 | -2.4% | 3,239 | 3,587 | -9.7% |
| Upcountry | 4,118 | 4,174 | -1.3% | 3,984 | 4,174 | -4.6% |
| Maldives | 17,528 | 18,016 | -2.7% | 17,528 | 18,016 | -2.7% |
| Thailand - Average | 3,925 | 3,996 | -1.8% | 3,737 | 3,996 | -6.5% |
| Total - Average | 4,933 | 4,997 | -1.3% | 4,693 | 4,997 | -6.1% |

| Revenue per Available Room (RevPAR) Baht | Original group of hotels performance (excluding the CENTRA and COSI Hotels) | | | Total performance (including the CENTRA and COSI Hotels) | | |
|---|--|--------------|---------------|---|--------------|---------------|
| | Q4/2018 | Q4/2017 | Changes - YoY | Q4/2018 | Q4/2017* | Changes - YoY |
| Bangkok | 2,968 | 2,995 | -0.9% | 2,703 | 2,995 | -9.8% |
| Upcountry | 3,338 | 3,475 | -3.9% | 3,189 | 3,475 | -8.2% |
| Maldives | 16,141 | 16,310 | -1.0% | 16,141 | 16,310 | -1.0% |
| Thailand - Average | 3,225 | 3,330 | -3.1% | 3,033 | 3,330 | -8.9% |
| Total – Average | 4,086 | 4,188 | -2.4% | 3,840 | 4,188 | -8.3% |

* Remarks: Q4/2017 excludes the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana. The Company recognized the operating result of this hotel, from November 26, 2017 to December 31, 2017, as Other Income. The operating result for the COSI Samui Chaweng Beach Hotel, being opened on December 1, 2017, is also excluded.

Hotel Business: Operating Performance Results - Q4/2018

| Hotel Business (In Baht Million) | Q4/2018 | Q4/2017 | Changes - YoY |
|---|---------|---------|---------------|
| Revenues from the Hotel Business | 2,373.3 | 2,337.6 | 1.5% |
| Total Revenues (including other income) | 2,465.6 | 2,453.3 | 0.5% |
| Gross Profit | 1,493.3 | 1,453.7 | 2.7% |
| Gross Profit Margin % | 62.9% | 62.2% | 0.7% |
| EBITDA | 841.1 | 824.4 | 2.0% |
| EBITDA Margin % | 34.1% | 33.6% | 0.5% |
| NET PROFIT | 294.5 | 268.0 | 9.9% |
| Net Profit Margin % | 11.9% | 10.9% | 1.0% |

- Q4/2018:

- Total hotel business revenues was Baht 2,465.6 million, an increase of Baht 12.3 million (or 0.5%) from Q4/2017.

The operating results for the existing hotels: Achieved RevPAR decreased by 2.4% YoY to be at Baht 4,086, resulting from the decrease in achieved Occupancy Rate (OCC) from 83.8% to 82.8% in Q4/2018 together with the decrease in achieved Average Room Rate (ARR) by 1.3% YoY to be at Baht 4,933.

If the analysis included the operating results for the COSI Samui Chaweng Beach Hotel (an Affordable Lifestyle hotel) and also for the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana (a 3-star hotel), then achieved RevPAR would decrease by 8.3% YoY to be at Baht 3,840 in Q4/2018, with also achieved Occupancy Rate (OCC)

decreasing from 83.8% to 81.8% and achieved Average Room Rate (ARR) decreasing by 6.1% YoY to be at Baht 4,693.

- Bangkok: Achieved RevPAR for the existing 5-star hotels decreased by 0.9% YoY to be at Baht 2,968, despite achieved Occupancy Rate (OCC) increasing from 83.5% to 84.8%; but the achieved Average Room Rate (ARR) decreased by 2.4% YoY to be at Baht 3,502. However, total revenues for the Centara Grand and Bangkok Convention Centre at Central World continued to increase as a result of the growth in Meetings, incentives, conferences and exhibitions (MICE) business. If the operating result of the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana (a 3-star hotel, with lower room rate) is included, it would result in the achieved RevPAR decreasing by 9.8% YoY to be at Baht 2,703, resulting from the 9.7% YoY decrease in achieved Average Room Rate (ARR) to be at Baht 3,239 together with the achieved Occupancy Rate remaining the same at 83.5%.
- Upcountry: Achieved RevPAR for the existing hotels decreased by 3.9% YoY to be at Baht 3,338. This resulted from the decrease in achieved Occupancy Rate (OCC) from 83.3% to 81.1%, while the achieved Average Room Rate (ARR) decreased by 1.3% YoY to be at Baht 4,118. The decrease in achieved RevPAR was due to the continuing impact of the tragic tourist boat accident in Phuket and also the cancellation of direct chartered flights from China to Koh Samui. However, if the operating result for the newly opened COSI Samui Chaweng Beach hotel (an Affordable Lifestyle hotel, with lower room rate), then achieved RevPAR would decrease by 8.2% YoY to be at Baht 3,189; whereby achieved Average Room Rate (ARR) would also decrease by 4.6% YoY to be at Baht 3,984 and the achieved Occupancy Rate (OCC) would decrease from 83.3% to 80.0%.
- Maldives: Achieved RevPAR decreased by 1.0% YoY to be at Baht 16,141. This result from achieved Average Room Rate (ARR) decreasing 2.7% YoY to be at Baht 17,528, while achieved Occupancy Rate (OCC) increased from 90.5% to 92.1%. In US-dollar currency term, the achieved RevPAR would decrease by 0.7% compared to the same period last year.

- o In Q4/2018, the Company achieved total gross profit for the Hotel Business of Baht 1,493.3 million (Q4/2017: Baht 1,453.7 million), with an increase in achieved gross profit margin to 62.9% (Q4/2017: 62.2%) as a result of effective costs savings and controls. While, the achieved EBITDA margin increased to 34.1% (Q4/2017: 33.6%), which mainly resulted from the operating result of the Centara Grand and Bangkok Convention Centre at CentralWorld.

Hotel Business: 2018 Operating Results (for own hotels)

| Occupancy Rate (OCC) % | Original group of hotels performance (excluding the CENTRA and COSI Hotels) | | | Total performance (including the CENTRA and COSI Hotels) | | |
|------------------------|---|-------|---------------|--|-------|---------------|
| | 2018 | 2017 | Changes - YoY | 2018 | 2017* | Changes - YoY |
| Bangkok | 84.4% | 81.4% | 3.0% | 84.2% | 81.4% | 2.8% |
| Upcountry | 81.8% | 83.1% | -1.3% | 80.7% | 83.1% | -2.4% |
| Maldives | 83.5% | 84.4% | -0.9% | 83.5% | 84.4% | -0.9% |
| Thailand - Average | 82.6% | 82.6% | - | 81.8% | 82.6% | -0.8% |
| Total - Average | 82.6% | 82.7% | -0.1% | 81.9% | 82.7% | -0.8% |

| Average Room Rate (ARR) Baht | Original group of hotels performance (excluding the CENTRA and COSI Hotels) | | | Total performance (including the CENTRA and COSI Hotels) | | |
|------------------------------|---|--------|---------------|--|--------|---------------|
| | 2018 | 2017 | Changes - YoY | 2018 | 2017* | Changes - YoY |
| Bangkok | 3,429 | 3,450 | -0.6% | 3,089 | 3,450 | -10.5% |
| Upcountry | 4,183 | 4,128 | 1.3% | 4,052 | 4,128 | -1.8% |
| Maldives | 18,093 | 18,312 | -1.2% | 18,093 | 18,312 | -1.2% |
| Thailand - Average | 3,949 | 3,926 | 0.6% | 3,728 | 3,926 | -5.0% |
| Total - Average | 4,899 | 4,897 | - | 4,620 | 4,897 | -5.7% |

| Revenue per Available Room (RevPAR) Baht | Original Group of hotels performance (excluding the CENTRA and COSI Hotels) | | | Total performance (including the CENTRA and COSI Hotels) | | |
|---|--|--------|---------------|---|--------|---------------|
| | 2018 | 2017 | Changes - YoY | 2018 | 2017* | Changes - YoY |
| Bangkok | 2,892 | 2,810 | 2.9% | 2,602 | 2,810 | -7.4% |
| Upcountry | 3,420 | 3,428 | -0.2% | 3,269 | 3,428 | -4.6% |
| Maldives | 15,102 | 15,464 | -2.3% | 15,102 | 15,464 | -2.3% |
| Thailand - Average | 3,260 | 3,241 | 0.6% | 3,051 | 3,241 | -5.9% |
| Total – Average | 4,047 | 4,049 | -0.1% | 3,786 | 4,049 | -6.5% |

* Remarks: 2017 excludes the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana. The Company recognized the operating result of this hotel, from November 26, 2017 to December 31, 2017, as Other Income. The operating result for the COSI Samui Chaweng Beach Hotel, being opened on December 1, 2017, is also excluded.

Hotel Business: Operating Performance Results - 2018

| Hotel Business (In Baht Million) | 2018 | 2017* | Changes - YoY |
|---|---------|---------|---------------|
| Revenues from the Hotel Business | 9,364.0 | 8,921.8 | 5.0% |
| Total Revenues (including other income) | 9,764.3 | 9,357.9 | 4.3% |
| Gross Profit | 5,925.9 | 5,592.6 | 6.0% |
| Gross Profit Margin % | 63.3% | 62.7% | 0.6% |
| EBITDA | 3,433.7 | 3,275.6 | 4.8% |
| EBITDA Margin % | 35.2% | 35.0% | 0.2% |
| NET PROFIT | 1,432.3 | 1,286.1 | 11.4% |
| Net Profit Margin % | 14.7% | 13.7% | 1.0% |

* In Q1/2017, total revenues included the insurance claims payment for flood damages to the Centara Grand Beach Resort Phuket, totaling Baht 35.9 million.

- **2018:**

- Total Hotel Business Revenues was Baht 9,764.3 million, an increase of Baht 406.4 million (or 4.3%) compared to the same period last year.

For the existing hotels, achieved RevPAR decreased by 0.1% YoY to be at Baht 4,047. This was due to achieved Occupancy Rate (OCC) decreasing marginally from 82.7% to 82.6%, while the achieved Average Room Rate (ARR) was Baht 4,899. If the analysis also included the recently launched new hotels – namely: the COSI Samui Chaweng Beach Hotel and the Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana, as

shown above, the achieved RevPAR would decrease 6.5% YoY to be at Baht 3,786, as a result of the 5.7% YoY decrease in achieved Average Room Rate (ARR) to be at Baht 4,620, together with the decrease in achieved Occupancy Rate (OCC) from 82.7% to 81.9%.

- Bangkok: Achieved RevPAR for the existing 5-star hotels, located in Bangkok, increased by 2.9% YoY to be at Baht 2,892, due to achieved Occupancy Rate (OCC) increasing from 81.4% to 84.4%; while achieved Average Room Rate (ARR) was at Baht 3,429, a decrease of 0.6% YoY. If the operating performance for the newly launched Centra by Centara Government Complex Hotel and Convention Centre Chaeng Watthana (a 3-star hotel, with lower room rate than the exiting 5-star hotels), then it will result in the achieved RevPAR, for all hotels located in Bangkok, to decrease 7.4% YoY to be at Baht 2,602 and the achieved Average Room Rate (ARR) to decrease 10.5% YoY; while the achieved Occupancy Rate (OCC) would increase from 81.4% to 84.2%.
- Upcountry: Achieved RevPAR for the existing hotels decreased 0.2% to be at Baht 3,420, resulting from achieved Occupancy Rate (OCC) decreasing from 83.1% to 81.8% but the achieved Average Room Rate increased 1.3% YoY to be at Baht 4,183. If the operating result of the new COSI Samui Chaweng Beach Hotel (an Affordable Lifestyle hotel, with lower room rate than the existing hotels), then the achieved RevPAR would decrease by 4.6% YoY to be at Baht 3,269 and the achieved Average Room Rate (ARR) would decrease by 1.8% YoY to be at Baht 4,052; while the achieved Occupancy Rate (OCC) would decrease from 83.1% to 80.7%.
- Maldives: Achieved RevPAR decreased 2.3% YoY; whereby the achieved Occupancy Rate (OCC) decreased slightly from 84.4% to 83.5% and the achieved Average Room Rate (ARR) also decreased 1.2% YoY to be at Baht 18,093 due to the appreciation of the Baht against the US dollar. In US-dollar currency term, the achieved RevPAR increased by 2.8% as a result of the increased in Average Room Rate (ARR) 4.0% when compared to the previous year.

- o For 2018, the Company achieved total gross profit of Baht 5,925.9 million (2017: Baht 5,592.6 million), an increase of 6.0% YoY, with an achieved gross profit margin of 63.3%, that is an increase when compared to the same period last year (2017: 62.7%). At the same time, achieved EBITDA margin was 35.2%, an improvement compared to the previous year (2017: 35.0%); whereby total EBITDA was Baht 3,433.7 million, an increase of 4.8% YoY. Total net profit for the Hotel Business was Baht 1,432.3 million, an increase of 11.4% YoY.

2.2.2 Food Business

Food Business: Q4/2018 Operating Results

| Same Store Sales (SSS) Growth | Q4/2018 | Q4/2017 |
|-------------------------------|--------------|-------------|
| Top 4 brands | -1.6% | 2.9% |
| Other 7 brands | -2.1% | 2.1% |
| Total Average | -1.7% | 2.9% |

| Total Systems Sales (TSS) Growth | Q4/2018 | Q4/2017 |
|----------------------------------|-------------|-------------|
| Top 4 brands | 5.5% | 8.5% |
| Other 7 brands | 13.2% | 12.1% |
| Total Average | 6.5% | 8.9% |

| Number of Outlets | Q4/2018 | Q4/2017 |
|-------------------|------------|------------|
| KFC | 258 | 238 |
| Mister Donut | 357 | 336 |
| Auntie Anne's | 163 | 149 |
| Ooloya | 43 | 44 |
| Pepper Lunch | 39 | 32 |
| Cold Stone | 18 | 21 |
| The Terrace | 9 | 9 |
| Chubuton | 17 | 18 |
| Yoshinoya | 20 | 15 |
| Tenya | 8 | 7 |
| Katsuya | 24 | 20 |
| Total | 956 | 889 |

| Food Business (in Baht Million) | Q4/2018 | Q4/2017 | Changes - YoY |
|---|---------|---------|---------------|
| Sales Revenues | 3,009.0 | 2,824.7 | 6.5% |
| Total revenues (including other income) | 3,048.6 | 2,867.1 | 6.3% |
| Gross Profit | 1,515.6 | 1,475.1 | 2.7% |
| Gross Profit Margin % | 50.4% | 52.2% | -1.8% |
| EBITDA | 358.2 | 350.0 | 2.3% |
| EBITDA Margin % | 11.8% | 12.2% | -0.4% |
| Net Profit | 186.6 | 173.6 | 7.5% |
| Net Profit Margin % | 6.1% | 6.1% | - |

- **Q4/2018:**

- The Company achieved total food business revenues of Baht 3,048.6 million, an increase of Baht 181.5 million (or 6.3% YoY) from Q4/2017, with the achieved Total Systems Sales (TSS) growth of 6.5% (Q4/2017: 8.9%) that resulted from the net increase of 67 new QSR outlets (or 7.5% YoY) to be a total of 956 QSR outlets as at the end of 4/2018, despite Same System Sales (SSS) decreasing by 1.7% YoY (compared to the increase of 2.9% in Q4/2017), that was due mainly to the operations of the Mister Donut and Auntie Anne's.
- In Q4/2018 the Company achieved a gross profit of Baht 1,515.6 million (Q4/2017: Baht 1,475.1 million), which is equal to an achieved gross profit margin of 50.4% (Q4/2017: 52.2%), which decreased YoY due to the high costs of the sustained sales promotion campaigns together with increased food raw materials and logistics costs. Achieved total EBITDA was Baht 358.2 million, an increase of 2.3% YoY, and equaled to an achieved EBITDA Margin of 11.8% that decreased compared to the previous year (Q4/2017: 12.2%). The Company achieved total food business net profit of Baht 186.6 million, an increase of Baht 13.0 million (or 7.5% YoY).

Food Business: 2018 Operating Results

| Same Store Sales (SSS) Growth | 2018 | 2017 |
|-------------------------------|-------------|--------------|
| Top 4 brands | 0.4% | -1.0% |
| Other 7 brands | -2.8% | 0.8% |
| Total Average | 0.1% | -0.9% |

| Total Systems Sales (TSS) Growth | 2018 | 2017 |
|----------------------------------|-------------|-------------|
| Top 4 brands | 8.2% | 2.9% |
| Other 7 brands | 16.2% | 6.6% |
| Total Average | 9.3% | 3.4% |

| Food Business (in Baht Million) | 2018 | 2017 | Changes - YoY |
|---|----------|----------|---------------|
| Sales Revenues | 11,899.0 | 10,892.6 | 9.2% |
| Total revenues (including other income) | 12,003.9 | 10,987.6 | 9.2% |
| Gross Profit | 6,178.3 | 5,718.4 | 8.0% |
| Gross Profit Margin % | 51.9% | 52.5% | -0.6% |
| EBITDA | 1,532.7 | 1,426.2 | 7.5% |
| EBITDA Margin % | 12.8% | 13.0% | -0.2% |
| Net Profit | 745.2 | 705.3 | 5.7% |
| Net Profit Margin % | 6.2% | 6.4% | -0.2% |

- 2018:

- The Company achieved total food business revenues of Baht 12,003.9 million, an increase of Baht 1,016.3 million (or 9.2% YoY); whereby achieved Total Systems Sales (TSS) growth was 9.3% (2017: 3.4%) and achieved Same Store Sales (SSS) growth was 0.1% YoY (2017: decreased by 0.9%). This recovery in the achieved SSS growth YoY deriving from the operations of the KFC, Ootoya, Tenya, Auntie Anne's and Katsuya as a result of the sustained sales promotions undertaken, the increased advertising campaigns via various media, together with the launch of new products and the increased variety of menu offerings.
- For 2018, the Company achieved total gross profits of Baht 6,178.3 million (2017: Baht 5,718.4 million), whereby this equaled to a gross profit margin of 51.9% (2017: 52.5%) that resulted in the achieved EBITDA margin of 12.8%, a marginal decrease compared to the previous year (2017: 13.0%). However, achieved EBITDA still increased by 7.5% YoY, totaling Baht 1,532.7 million, resulting from the increase in total revenues. The Company achieved a total food business net profit of Baht 745.2 million, an increase of Baht 39.9 million (or 5.7% YoY).

3. Financial Status

Financial Position and Cash Flow

As at December 31, 2018, the Company had total assets of Baht 26,447.4 million, an increase from the end of 2017 of Baht 1,410.1 million (or 5.6%); whereby the primary reason was the increase in the amount of Cash and Cash Equivalent of Baht 580.1 million together with current investment of Baht 800.6 million and investment in a joint venture of Baht 297.2 million. While the total property, plant and equipment, together with leasehold rights decreased, partly due to the depreciation and amortization incurred during the year.

Total Liabilities, as at December 31, 2018, was Baht 13,027.8 million, an increase from 2017 of Baht 48.8 million, (or 0.4%), which was mainly due to the increase in long term loans from financial institutions of Baht 840.7 million; while there was a repayment of debentures, totaling Baht 700.0 million.

The Company had total shareholders' equity of Baht 13,419.7 million, an increase of Baht 1,361.3 million (or 11.3%) from the end of 2017, which mainly resulted from the achieved net profit during the year of Baht 2,274.3 million that was offset by the dividend payment of Baht 809.9 million together with the profit attributable to non-controlling interests totaling Baht 96.7 million.

In 2018, the Company had total net cash flow from operations totaling Baht 4,213.1 million, a decrease of Baht 568.9 million (or 11.9%) compared to the same period last year as a result of the decrease in Trade and other payables totaling Baht 75.8 million, compared to an increase of Baht 433.5 million in 2017 that was largely due to trade payable - other parties, accrued expenses and guest deposits.

Total net cash flow used in investing activities totaling Baht 2,669.2 million, mainly consisting of cash payments for purchase of property, plant and equipment totaling Baht 1,344.6 million, current investment totaling Baht 800.6 million and investment in a joint venture totaling Baht 297.2 million.

While the Company had total net cash flow used in financing activities totaling Baht 991.5 million, due mainly to the dividend payment totaling Baht 907.1 million and the repayment of Debentures totaling Baht 700.0 million; while the net cash received from long-term loans from financial institutions increased by a total of Baht 850.4 million.

Analysis of Financial Ratios

| Financial Ratios | 2018 | 2017 |
|---|-------------|-------------|
| Liquidity Ratio (times) | 1.1 | 0.6 |
| Net Debt* to Equity Ratio (times) | 0.7 | 0.8 |
| Interest-Bearing Debt to Equity Ratio (times) | 0.5 | 0.6 |

Remarks: * Excludes deferred income

In 2018, the Company had a liquidity ratio of 1.1 times, which is an increase when compared to the end of 2017, due mainly to the increase in cash and cash equivalent, together with current investment; while the Interest-Bearing Debt to Equity Ratio decreased from the end of 2017 (at 0.6 times) to 0.5 times at the end of 2018, resulting from the increased amount of total shareholders' equity.

4. Factors that may impact the ongoing business operations and Business Trends for 2019

- Factors that may impact ongoing business operations

- The Cosi Pattaya Naklua Beach Hotel (282 rooms) is expected to start operations in September 2019.
- Hotel renovation plan of 2 hotel properties in 2019 are as follows:
 - Centara Grand and Bangkok Convention Centre at CentralWorld (512 rooms) that will start by the end of Q2/2019, which is expected to take a total of approximately 22 months; whereby rooms will be closed for renovations on a phased basis, with 3 floors in each phase that is equal to a total of 14% of the total number of rooms for avoidance of impact on the hotel operations. The achieved occupancy rate (OCC) for this hotel in 2018 was 85%. After renovation, the hotel will be able to increase room rates for the newly renovated rooms once they are reopened, on a phased basis, for guest occupancy.
 - Centara Grand Beach Resort Samui (203 rooms) will be closed for renovations from June 2019 onwards; whereby it will take approximately 12 months to complete the planned renovation. However, during the temporary closure for renovations, Central Samui Hotel Management Co., Ltd. will still need to pay the fixed rental of Baht 168 million p.a. to Centara Hotels & Resorts leasehold Property Fund. The Company also holds investment units in the aforementioned property fund totaling 25.34% of the total number of investment units. In addition, the total revenues for the Centara Grand Beach Resort Samui is equal to approximately 6% of the total hotel business revenues in 2018.

- Business Trends for 2019

- Hotel Business: Occupancy Rate (OCC) for the existing hotels in 2019 is expected to be approximately between 83% - 85%; while RevPAR is expected to increase by 4% - 6% compared to 2018. However, total hotel business revenues for 2019 is expected to increase by 2% - 3% YoY, which is lower than the expected increase in RevPAR for the year due to the complete closure for renovations of the Centara Grand Beach Resort Samui as mentioned above.

- Food Business: Same-Store-Sales (SSS) growth is expected to be by 3% - 4%; whereby the key positive factor is the scheduled General Election. Nevertheless, the continuing development of new products and menu offerings, sustained sales promotion campaigns, together with advertising campaigns to be undertaken will remain the main drivers for this expected food business growth. In addition, there will be ongoing expansion of new QSR outlets of approximately 80 - 90 (net), equal to an 8 - 9% increase YoY in 2019. This QSR outlets expansion does not include any outlets for the new QSR brand development, targeting to launch in 2019 yet.

For your information accordingly,

Respectfully Yours,



(Dr. Ronnachit Mahattanapreut)

SVP, Finance and Administration