

OHTL Public Company Limited and its subsidiaries

Management Discussion and Analysis for the year ended 31 December 2018

<i>(Unit: Thousand Baht)</i>	2018	2017	Increased/ (Decreased)
Occupancy rate (%)	48.1%	47.1%	1.0%
Room revenue	897,063	876,337	2.4%
Food and beverage revenue	959,886	892,851	7.5%
Other revenues	348,398	359,884	(3.2%)
Hotel income	2,205,346	2,129,072	3.6%
Cost of sales and services	1,216,119	1,206,629	0.8%
Operating expenses	694,345	669,504	3.7%
Net profit	259,735	215,949	20.3%

Revenue from the hotel income for the year ended 31 December 2018 increased by Baht 76.3 million or 3.6% compared to last year. Room revenue was higher than last year by Baht 20.7 million or 2.4% due to occupancy rate increased. Food and beverage revenue increased by Baht 67.0 million or 7.5% mainly from higher of banquet revenues. Other revenues decreased by Baht 11.5 million or 3.2% due to rental income.

For expenditures, the Company recorded cost of sales and services at Baht 1,216.1 million in 2018, slightly increased by Baht 9.5 million or 0.8% compared to 2017 was associated with an increases in room and food and beverage revenues. The operating expenses increased by Baht 24.8 million or 3.7% compared to 2017 partly from an increase of the management fees in 2018 of Baht 4.6 million due to better performance, sales and marketing expenses increased by Baht 4.9 million or 5.3% and compensation of litigation case that the Company is liable to pay Baht 20.0 million together with interest at the rate of 7.5 percent per annum from 7 June 2013 according to note to financial statements as of 31 December 2018.

In conclusion, net profit for the year increased from Baht 215.9 million in 2018 to Baht 259.7 million, or increased by Baht 43.8 million which is equivalent to 20.3% increase when compared to last year.

Ms. Siriwan Chamnannarongsak

Finance Director