

OHTL Public Company Limited and its subsidiaries

Management Discussion and Analysis for the year ended 31 December 2021

<i>(Unit: Thousand Baht)</i>	2021	2020	Increased (Decreased)
Room revenue	113,599	220,074	(48.4%)
Food and beverage revenue	276,044	483,614	(42.9%)
Outside shops revenue	82,842	97,930	(15.4%)
Other revenues	89,513	112,043	(20.1%)
Hotel income	561,998	913,661	(38.5%)
Cost of sales and services	795,120	975,893	(18.5%)
Operating expenses	311,105	399,144	(22.1%)
Finance costs - Interest expense	111,222	76,830	44.8%
Net loss	(620,641)	(480,121)	29.3%

Operating results for 2021 continued to be impacted by various government restrictions implemented in response to the coronavirus pandemic. Financial performance for the year ended 31 December 2021 showed revenue decreased by Baht 351.7 million or 38.5% compared to prior year. In the absence of large numbers of international travellers, the hotel income in 2021 derived from local guests only through the first 10 months of the year until Test & Go was introduced in November. As a result, Room revenue decreased by Baht 106.5 million or 48.4%. In addition, food and beverage revenue decreased by Baht 207.6 million or 42.9% when compared to last year which was caused by the closure of restaurants, restriction on alcohol sales, limit number of guests for function as well as the closure of spa, fitness centre in accordance with the restriction measures from the government authorities. Revenue from the outside shops also decreased by Baht 15.1 million or 15.4% from the temporarily closure of shops in department stores. Consequently, overall revenue for the year 2021 was closed at Baht 562.0 million, decreased by 38.5% when compared to Baht 913.7 million in 2020.

The Company recorded cost of sales and services at Baht 795.1 million, which was decreased by Baht 180.8 million or 18.5% compared to prior year. The decrease in cost of sales and services was in line with the decrease in revenue offset with the increase in depreciation of Baht 30.4 million compared to last year which was mainly from recording cost of building and equipment after completion of River Wing renovation. Meanwhile, operating expenses decreased by Baht 88.0 million or 22.1% compared to last year due to an effective cost containment measure.

In 2021, finance cost increased by Baht 34.4 million or 44.8% compared to the prior year, mainly came from the interest expenses for additional short-term and long-term loans that the Company drawn down for hotel operations and River Wing renovation project.

At the end of December 2021, the impact of Covid-19 pandemic continued to affect hotel operations. As a result, the net loss for the year 2021 was recorded at Baht 620.6 million, representing an increase of the net loss by Baht 140.5 million or 29.3% compared to last year.

Ms. Ubonwadee Maneesai
Financial Controller