

**OHTL Public Company Limited and its subsidiaries**

**Management Discussion and Analysis for the second quarter ended 30 June 2019**

<i>(Unit: Thousand Baht)</i>	<b>2019</b>	<b>2018</b>	<b>Increased (Decreased)</b>
Room revenue	33,079	152,513	(78.3%)
Food and beverage revenue	89,137	174,164	(48.8%)
Other revenues	55,671	72,147	(22.8%)
<b>Hotel income</b>	<b>177,887</b>	<b>398,824</b>	<b>(55.4%)</b>
Cost of sales and services	210,143	267,394	(21.4%)
Operating expenses	132,966	171,956	(22.7%)
Finance costs - Interest expense	5,013	2,367	111.8%
<b>Net loss</b>	<b>163,997</b>	<b>30,951</b>	<b>429.9%</b>

Revenue from the hotel income for the second quarter ended 30 June 2019 decreased by Baht 220.9 million or 55.4% compared to the same period last year which was resulted from the renovation of the River Wing building that included the closure of 338 guestrooms, Verandah, Riverside Terrace, and Lord Jim's Restaurant as approved by the Extraordinary General Meeting of Shareholders held on 12 December 2018. For this reason, net profit for this quarter decreased by Baht 133.0 million or 429.9% compared to the same period last year.

For expenditures, the Company recorded cost of sales and services at Baht 210.1 million in Q2 2019, decreased by Baht 57.3 million or 21.4%. Operating expenses decreased by Baht 39.0 million or 22.7% compared to Q2 2018. During the year, the hotel carefully managed costs while retaining a minimum impact on the quality of guest services and customer care. In addition, during the renovation, payroll was saving by assigning colleagues to work at sister MOHG properties around the world.

An additional finance cost of Baht 2.6 million or 111.8% was increased when compared to the same period last year resulted from interest on short-term and long-term loans that the Company had drawn down for the hotel operations and the River Wing renovation project.

Ms. Siriwan Chamannarongsak

Finance Director