

OHTL Public Company Limited and its subsidiaries

Management Discussion and Analysis for the third quarter ended 30 September 2019

<i>(Unit: Thousand Baht)</i>	2019	2018	Increased (Decreased)
Room revenue	27,639	148,080	(81.3%)
Food and beverage revenue	132,311	207,457	(36.2%)
Other revenues	66,090	87,643	(24.6%)
Hotel income	226,040	443,180	(49.0%)
Cost of sales and services	241,105	294,083	(18.0%)
Operating expenses	140,676	159,411	(11.8%)
Finance costs - Interest expense	6,969	2,398	190.6%
Net loss	159,760	2,679	5,863.4%

Revenue from the hotel income for the third quarter ended 30 September 2019 decreased by Baht 217.1 million or 49.0% 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 Restaurants as approved by the Extraordinary General Meeting of Shareholders held on 12 December 2018. For this reason, net loss for this quarter increased by Baht 157.1 million or 5,863.4% compared to the same period last year.

For expenditures, the Company recorded cost of sales and services at Baht 241.1 million in Q3 2019, decreased by Baht 53.0 million or 18.0%. Operating expenses decreased by Baht 18.7 million or 11.8% compared to Q3 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 4.6 million or 190.6% 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