

7 May 2019

Subject: Clarification of the change in the operating performance of the first quarter of 2019 from the same period of prior year by more than 20%

Attention: President
Stock Exchange of Thailand

Grande Asset Hotels and Property Public Company Limited and its subsidiaries (“the Group”) would like to clarify the result of operating performance of the Group at the end of the first quarter 2019 that caused the decrement of operating profit from the same period of prior year by more than 20% as follows:

1. The revenues from hotel operations of the Group increased from the same period of prior year by Baht 348 million, due to the fact that the company acquired Royal Orchid Hotel (Thailand) Public Company Limited since April 2018 in which added the revenue by Baht 266 million. In addition the revenues were increased by Baht 81 million from Hyatt Regency Bangkok Sukhumvit Hotel which has opened since the fourth quarter 2018.

Cost of hotel operations also increased from the same period of previous year by Baht 165 million in accordance with the increase in revenues from hotel operations.

2. The revenues from sales of real estate of the company amounting to Baht 148 million declined from the same period of prior year by Baht 143 million mainly from the decrease in unit transfer of HYDE Sukhumvit 11 Condominium. Cost of sales of real estate business also decreased in accordance with the decrease in revenues.
3. The selling expenses of the Group increased from the same period of last year by Baht 30 million mainly from added up selling expenses of Royal Orchid Sheraton Hotel and Towers and Hyatt Regency Bangkok Sukhumvit Hotel which resulted in the increment of selling expenses of hotel business.

For the real estate business, the selling expenses such as special business tax and transfer fee, decreased in according with the decrease in revenues from sales of real estate.

4. The administrative expenses of the Group increased from the same period of prior year by Baht 106 million mainly from the recognition of administrative expenses of both Royal Orchid Sheraton Hotel and Towers and Hyatt Regency Bangkok Sukhumvit Hotel.

5. Finance costs of the Group increased from the same period of previous year by Baht 98 million due to the increase in long-term borrowings and debentures. In addition, interest rate of loans was also higher than the same period of last year. Moreover, due to the completion of the project construction of Hyatt Regency Bangkok Sukhumvit Hotel that opened in the fourth quarter 2018, the interest paid in the first quarter of 2019 were recorded as finance cost in statement of comprehensive income, whereas the interest paid in the first quarter 2018 were recorded as the cost of project.
6. Income tax expenses of the Group decreased from the same period of prior year by Baht 6 million in accordance with the decrease in the Group's operating result.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control