

# GRANDE ASSET

HOTELS & PROPERTY

7 November 2019

Subject: Clarification of the change in the operating performance of the third quarter of 2019 from the same period of previous 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 for the third quarter of 2019 that caused the decrement of operating profit from the same period of previous year by more than 20% as follows:

1. The revenues from hotel operations of the Group increased from the same period of previous year by Baht 116 million, due to the increase by Baht 134 million of the revenues from Hyatt Regency Bangkok Sukhumvit Hotel which has opened since the fourth quarter of 2018.

Cost of hotel operations also increased from the same period of previous year by Baht 42 million in accordance with the increase in revenues from hotel operations. However, the average gross profit margin increased according to the profit margin of new hotel.

2. The revenues from sales of real estate of the Company at the amount of Baht 167 million, in which declined from the same period of previous year by Baht 138 million mainly as a consequence of 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 from sales of real estate.

3. The selling expenses of the Group increased from the same period of previous year by Baht 16 million mainly from the increment of selling expenses of hotel business, especially the selling expenses of Hyatt Regency Bangkok Sukhumvit Hotel. However, the ownership transfer expenses such as special business tax and transfer fee, decreased in accordance with the decrease in revenues from sales of real estate.
4. The administrative expenses of the Group increased from the same period of previous year by Baht 27 million mainly from the increase in hotel administrative expenses of the Company and subsidiaries.

5. Finance costs of the Group increased from the same period of previous year by Baht 53 million in accordance with the increase in borrowings. In addition, interest rate of loans was also higher. Moreover, due to the completion of the project construction of Hyatt Regency Bangkok Sukhumvit Hotel that opened in the fourth quarter of 2018, the interest paid in the period of 2019 were recorded as finance cost in statement of comprehensive income, whereas the interest paid in the period 2018 were recorded as the cost of project.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai  
Executive Vice President - Accounting & Control