

GRANDE ASSET

HOTELS & PROPERTY

11 May 2020

Subject: Clarification of the change in the operating performance of the first quarter of 2020 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 first quarter of 2020 that caused the decrement of operating performance from the same period of previous year by more than 20% as follows:

1. The revenues from hotel operations of the Group decreased from the same period of previous year by Baht 212 million, due to the decreasing of hotels occupancy rate which had been affected from the precautionary measures such as restrictions and controls over travelling, and the order of temporary closure of premises, for the pandemic of Coronavirus Disease 2019 (“COVID-19”).

Costs of hotel operations also decreased from the same period of previous year by Baht 45 million in accordance with the decrease in revenues from hotel operations. However, the certain costs of hotels are fixed cost, the gross margin of hotels decreased.
2. The revenues from sales of real estate of the Company at the amount of Baht 87 million, in which declined from the same period of previous year by Baht 61 million mainly from decreasing in transferred units 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. Finance costs of the Group increased from the same period of previous year by Baht 31 million in accordance with the increase in principle and average interest rate of borrowings. Moreover, the new financial reporting standards impacted to increase the financial costs.
4. The income tax of the Group increased from the same period of previous year by Baht 56 million mainly from the recognition of deferred income tax assets for tax loss during the period.
5. Other comprehensive expense of the Company increased from the same period of previous year by Baht 24 million due to the declining in fair value of equity investments.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control