

11 August 2020

Subject: Clarification of the change in the operating performance of the second 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 second 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 490 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 162 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 13 million, in which declined from the same period of previous year by Baht 29 million mainly from decreasing in transferred units of Hyde Sukhumvit 11 Condominium from the impact of the pandemic of Coronavirus Disease 2019 (“COVID-19”).

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 decreased from the same period of previous year by Baht 43 million mainly from the reduce and control costs both hotel business and real estate business during the pandemic. Moreover, the ownership transfer expenses such as special business tax and transfer fee, decreased in accordance with the decrease in transferred units.
4. The administrative expenses of the Group decreased from the same period of previous year by Baht 100 million mainly from the saving and control costs efficiently for hotel administrative expenses of the Company and subsidiaries, consistent with declining in hotel occupancy rate.



5. The income tax of the Group increased from the same period of previous year by Baht 36 million mainly from the recognition of deferred income tax assets for tax loss during the period.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control