

24 February 2021

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

1. The revenues from hotel operations of the Group at the amount of Baht 793 million, in which decreased from the previous year by Baht 1,729 million, due to the decrease in 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 previous year by Baht 495 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 171 million, in which declined from the previous year by Baht 243 million mainly from decreasing in transferred units of Hyde Sukhumvit 11 Condominium from the impact of the pandemic of 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 other incomes of the Group at the amount of Baht 134 million, in which decreased from the previous year by Baht 24 million, mainly due to the decrease in management fee of real estate project from joint ventures, according to the deceleration in construction plan.
4. The selling expenses of the Group decreased from the previous year by Baht 158 million mainly from the reduce and control costs both hotel business and real estate business. Moreover, the ownership transfer expenses such as special business tax and transfer fee, decreased in accordance with the decrease in transferred units.
5. The administrative expenses of the Group decreased from the of previous year by Baht 365 million mainly from the reduce and control costs efficiently for hotels administrative expenses, consistent with declining in hotel occupancy rate.
6. The Company had assessed and recognised expected credit loss for long outstanding trade receivable during the current year amounting to Baht 64 million.

7. The impact of the pandemic of COVID-19 has effects in the hotels operating result of subsidiaries cause the projected revenue from hotel operations were significantly dropped. The recoverable amount was less than their carrying value. Therefore, the Company recognised impairment loss on investments in subsidiaries of Baht 159 million in the 2020 separate financial statements.
8. Finance costs of the Group increased from the previous year by Baht 49 million because the Group has adopted the financial reporting standards related to leases during the year, so finance cost increased by Baht 48 million.
9. The income tax of the Company increased from the previous year by Baht 119 million from the recognition of deferred income tax assets mainly due from tax loss, the additional of allowance for expected credit loss and impairment loss on investments in subsidiaries during the year. Besides, the income tax of the Group increased from the previous year by Baht 186 million from the recognition of deferred income tax assets mainly due from tax loss, the additional of allowance for expected credit loss and lease liabilities during the year.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control