

10 August 2021

Subject: Clarification of the change in the operating performance of the second quarter of 2021 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 2021 that caused the decrement of operating performance from the same period of previous year by more than 20% as follows:

1. After the relief of precautionary measures such as restrictions and controls over travelling, and the order of temporary closure of premises, following the pandemic of Coronavirus Disease 2019 (“COVID-19”) from the same period of previous year, the revenues from hotel operations of the Group increased from the same period of previous year by Baht 19 million, due to the increase in hotels occupancy rate.

The increase in costs of hotel operations were lower than the increase in revenues from hotel operations as the certain costs of hotels are fixed such as salary, depreciation expense and rental expense.

In addition, the revenues from hotel operations were less than fixed costs; as a result, the hotel operations were presented in gross loss.

2. The revenues from sales of real estate of the Company in the amount of Baht 19 million increased from the same period of previous year by Baht 5 million due mainly to corresponding increase in transferred amount of real estate projects.

Cost of sales of real estate business also increased in accordance with the increase in revenues from sales of real estate.

3. The other incomes of the Group of Baht 26 million, decreasing from the same period of previous year by Baht 12 million was mainly due to the decrease in contract rate of management fee of real estate projects from a joint venture and the decreasing in income from contract cancellation.
4. The selling expenses of the Group decreased from the same period of previous year by Baht 9 million mainly from the effectively reduced and controlled costs both in hotel business and real estate business such as employee expense and the related selling expense.
5. Finance costs of the Group increased from the same period of previous year by Baht 10 million in accordance with the increase in long-term borrowings and debentures. In addition, average interest rate of loans was also higher.

6. The income tax of the Group increased from the same period of previous year by Baht 25 million due mainly to 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