

GRANDE ASSET

HOTELS & PROPERTY

9 November 2021

Subject: Clarification of the change in the operating performance of the third 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 third quarter of 2021 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 58 million, due to the decrease of revenues from rooms and from food and beverage which have been continuously affected from the precautionary measures for the pandemic of Coronavirus Disease 2019 (“COVID-19”). Moreover, a subsidiary’s hotel temporary closed for pipe system renovation during June till October 2021.

The decrease in costs of hotel operations were lower than the decrease 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 14 million decreased from the same period of previous year by Baht 31 million due mainly to corresponding decrease in transferred amount from sale of real estate units.

Cost of sales of real estate business also decreased in accordance with the decrease in revenues from sales of real estate units.

3. The revenues from rental income of the Company of Baht 3 million, decreasing from the same period of previous year by Baht 6 million in line with the decrease in rental area and rental rate due to the impact of the precautionary measures for the pandemic of COVID-19.

4. The selling expenses of the Group decreased from the same period of previous year by Baht 15 million mainly from the ownership transfer expenses, commission expense and promotion expense etc., decreasing in accordance with the decrease in revenues from sales of real estate units. In addition, the Group has continuously controlled selling expenses 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 73 million mainly from a subsidiary entering into the sales and lease back agreements with buy - back obligations from GROREIT during this quarter.
6. Share of loss from investments in joint ventures increased from the same period of previous year by Baht 6 million due to the rubber glove business which the Group has invested since the fourth quarter of 2020. Currently, the joint venture is under plant construction and machinery installation and there is no income.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control