

9 August 2022

Subject: Clarification of the change in the operating performance of the second quarter of 2022 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 2022 that caused the increment 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 increased from the same period of previous year by Baht 250 million, due to the increase of revenues from rooms and from food and beverage as a result of the relaxation of situation of Coronavirus Disease 2019 (“COVID-19”). The number of business travelers and tourism increased resulting in higher occupancy rates and average room rate from the same period of previous year.

The costs of hotel operations also increased to support the recovery of the hotel guests, especially employee expense and cost of food and beverage. However, 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.

2. The revenues from sales of real estate of the Company in the amount of Baht 51 million increased from the same period of previous year by Baht 32 million due mainly to corresponding increase in ownership transferred amount of real estate units.

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 43 million, an increase from the same period of previous year by Baht 16 million, was mainly due to the increase in interest income from additional loan to joint ventures.
4. The selling expenses of the Group increased from the same period of previous year by Baht 24 million mainly from the increment of selling expenses of hotel business according to increase in revenues from hotel operations. Moreover, the ownership transfer expenses such as special business tax and transfer fee etc., increased in accordance with the increase in revenues from sales of real estate.
5. The administrative expenses of the Group increased from the same period of previous year by Baht 36 million mainly from the increase in administrative expenses of hotel business, especially employee expense, electricity expense and management fee according to increase in number of hotel guests and revenues from hotel operations.



6. Finance costs of the Group increased from the same period of previous year by Baht 51 million mainly from a subsidiary entering into the sales and lease back agreements with buy - back obligations from GROREIT since the third quarter of 2021.
7. Share of loss from investments in joint ventures increased from the same period of previous year by Baht 13 million due to the investment in rubber glove business whereby plant construction and machinery installation in first phase has finished since end of April 2022. Another part from the investment in real estate business, condominium, which construction is finished and ownership transferred at the beginning of August 2022; therefore, there is no income, thereby the operating performance is shown as a loss in this quarter.
8. The income tax of the Group decreased from the same period of previous year by Baht 21 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