

8 November 2022

Subject: Clarification of the change in the operating performance of the third 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 third 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 378 million, due to the increase of revenues from rooms and from food and beverage as a result of the relaxation of prevention and control measures the Coronavirus Disease 2019 (“COVID-19”) in many countries. The number of business travelers and tourism increased resulting in a rebound in the hotel occupancy rates and average room rate of the Group.

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. The gross margin of hotels significantly increased.

2. The revenues from sales of real estate of the Company in the amount of Baht 62 million, an increase from the same period of previous year by Baht 48 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 selling expenses of the Group increased from the same period of previous year by Baht 38 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 commission expense, special business tax and transfer fee etc., increased in accordance with the increase in revenues from sales of real estate.
4. The administrative expenses of the Group increased from the same period of previous year by Baht 80 million mainly from the increase in administrative expenses of hotel business, especially employee expense, electricity expense and management fee corresponding to increase in number of hotel guests and revenues from hotel operations.
5. 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. In addition, the increase in debentures and average interest rate of loans was also higher.

6. Share of profit from investments in joint ventures increased from the same period of previous year by Baht 33 million mainly due to the share of profit from investment in condominium project, Hyde Heritage Thonglor , which ownership transferred in August 2022.
7. The income tax of the Group decreased from the same period of previous year by Baht 25 million due mainly to the decrease in tax loss during the period.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control