

February 17, 2023

The President

The Stock Exchange of Thailand

Dear Sir,

The Company's results for operating result for the year ended December 31, 2022 comparing to the same period last year as follows:

(Baht in Thousand)	<u>2022</u>	<u>2021</u>	<u>Change (%)</u>
Total Revenue			
The Company	420,064	65,206	544.21%
Operating result			
The Company	(123,010)	(213,440)	42.37%

During the quarter 1 of Year 2022, the Company has the company restructuring from the completion of the liquidation of the subsidiary in March 2022. From the restructuring, the Company has not to prepare the consolidation and has adjusted the statement of comprehensive income for the year ended 31 December 2021 as if there was a restructuring of assets under common control for comparative purposes.

The operating income for the year 2022 compared with the year 2021 of the Company increased by Baht 354.9 million or equivalent to 544.21%. The revenues from hotel operations for the year 2022 have increased from last year due to the situation is better and the Government measures such as Test & Go, Rao Tiew Duy Gan, etc. Most of the company revenue for the year 2022 are came from the quarter 4 of the year which represent the operating income are increased by Baht 150.6 million or equivalent to 431.28% when compared with the quarter 4 of the year 2021.

Additionally, the Company has interest income amounting Baht 353.2 million which from the loan to Parent company in July 2021 and March 2022. The company also recognized the finance cost from lease agreements in the year 2022 Baht 375.2 million as per the company entered into an agreement to buy and to sell immovable and movable assets with MFC Asset Management PCL as the trustee of Grande Royal

Orchid Hospitality Real Estate Investment Trust with Buy-Back Condition and entered into a 5-years lease agreement for land building and movable assets for hotel operation in quarter 3 of the year 2021.

The operating expenses, the Company still has the employee benefit expenses as the main expenses. Compared to the year 2021 found that the operating expenses were increase relating to the uplift of the company revenue in amounting of THB 216.9 million or 68.7% higher than year 2021.

As a result, the operating result for the year 2022 compared with the year 2021 of the Company increased by Baht 90.4 million or equivalent to 42.37%.

As at 31 December 2021, the Company recorded accrued corporate income tax liabilities of approximately Baht 600 million for Real Estate Investment Trusts with Buy-Back conditions (REIT buy-back Measures) on 15 July 2021 and because there is no official tax measures relating to the tax measures for Real Estate Investment Trusts with Buy-Back conditions (REIT buy-back Measures).

Then on 18 July 2022, there was a Royal Decree in relation to the tax measures for Real Estate Investment Trusts with Buy-Back conditions (REIT buy-back Measures) and effective from 19 July 2022. The Company has submitted a request for justice with the relevant agencies to grant tax exemption to the Company in correspondence with this Royal Decree. In addition, the Company has also submitted a request for exemption of tax penalty and surcharge under the Revenue Code with the Revenue Department. However, the Company is in the process of submission a request for justice with the relevant agencies. Therefore, as at 31 December 2022, the Company already recorded the related tax penalty and surcharge. However, if it is finalised, the Company is granted for tax exemption, the Company will be required to adjust the transactions records related to corporate income tax and related transactions including tax penalty and surcharge thereof in the subsequent period that the result is known.

Yours sincerely,

Nutthanont Arya

Director of Finance