

11 May 2023

Subject: Clarification of the change in the operating performance of the first quarter of 2023 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 first quarter of 2023 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 421 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 from the same period of previous year by Baht 85 million, 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 40 million, an increase from the same period of previous year by Baht 25 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 29 million mainly from the increment of selling expenses of hotel business according to increase in revenues from hotel operations. Moreover, the expenses of real estate business relating to selling and ownership transfer expenses such as advertising and sale promotion, commission expense and special business tax 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 109 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, and tax penalty of a subsidiary.

5. Finance costs of the Group increased from the same period of previous year by Baht 48 million mainly from the increase in amount and average interest rate of debentures was also higher.
6. Share of loss from investments in joint ventures decreased from the same period of previous year by Baht 17 million mainly due to the share of profit from the condominium project, Hyde Heritage Thonglor, which started to transfer ownership in August 2022.
7. The income tax of the Group For the three-month period ended 31 March 2023 equal Baht 28 million from the recognition of deferred tax income by Baht 41 million mainly from tax losses. Meanwhile, the Group recognized current tax expenses on profits for the period to Baht 13 million.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control