

27 February 2024

Subject: Clarification of the change in the operating performance of the year 2023 from 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 of 2023 that caused the decrement of operating performance from the previous year by more than 20% as follows:

1. The Group’s revenue from hotel operations in the year 2023 was Baht 2,406 million, increased from the previous year by Baht 847 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 a rebound in the hotel occupancy rates and average room rate of the Group.

The costs of hotel operations also increased from the previous year by Baht 196 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 169 million, an increase from the previous year by Baht 33 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 revenues from rental income of the Company of Baht 46 million, increasing from the previous year by Baht 15 million following the increase in rental area and the average rental rate.
4. The other incomes of the Group of Baht 133 million, an increase from the previous year by Baht 25 million, was mainly due to the increase in interest income from loans to joint ventures.
5. The selling expenses of the Group increased from the previous year by Baht 71 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, special business tax and transfer fee etc., increased in accordance with the increase in revenues from sales of real estate.
6. The administrative expenses of the Group increased from the previous year by Baht 230 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.

7. The Company recognised expected credit losses on financial asset in separate financial statements for the year 2023 at the amount of Baht 89 million for long outstanding of loan to a subsidiary.
8. The Company recognised impairment loss on investments in subsidiary and joint venture in separate financial statements for the year 2023, amounting to Baht 72 million due to the recoverable amount was less than their carrying value. resulting in impairment loss on investment in a subsidiary by Baht 13 million and impairment loss on investment in a joint venture by Baht 59 million.
9. Finance costs of the Group increased from the previous year by Baht 149 million mainly from the increase in debentures and their average interest rate were also higher.
10. Share of profit from investments in joint ventures increased from the previous year by Baht 30 million mainly due to the share of profit from investment in condominium project, Hyde Heritage Thonglor, which ownership transferred in August 2022.
11. The income tax of the Group in the year 2023 was Baht 140 million, from the recognition of deferred tax income by Baht 188 million mainly from the company's tax losses and the difference in expenses under lease agreements during the year. Meanwhile, the Group recognized current tax expenses on profits for the year of a subsidiary to Baht 48 million.
12. Other comprehensive income of the Group increased from the previous year by Baht 21 million due to decrease in fair value of equity investments (net of tax) more than the previous year by Baht 11 million and remeasurements of post-employment benefit obligations (net of tax) decreased in current year by Baht 32 million.

Please be kindly informed accordingly.

Yours Sincerely,



Mr. Sathit Kiatkrajai
Executive Vice President - Accounting & Control