

GRANDE ASSET HOTELS AND PROPERTY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2024

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders of Grande Asset Hotels and Property Public Company Limited

I have reviewed the interim consolidated financial information of Grande Asset Hotels and Property Public Company Limited and its subsidiaries, and the interim separate financial information of Grande Asset Hotels and Property Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2024, the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Rodjanart Banyatananusard
Certified Public Accountant (Thailand) No. 8435
Bangkok
9 May 2024

Grande Asset Hotels and Property Public Company Limited
Statement of Financial Position
As at 31 March 2024

| | Notes | Consolidated financial information | | Separate financial information | |
|---|-------|---------------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| | | Unaudited 31 March 2024 | Audited 31 December 2023 | Unaudited 31 March 2024 | Audited 31 December 2023 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| | | | | | |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 1,260,316 | 1,363,981 | 731,252 | 922,608 |
| Trade and other current receivables, net | | 238,897 | 270,916 | 283,018 | 286,843 |
| Short-term loans to related parties, net | 15.4 | 100,000 | 90,000 | 492,768 | 440,268 |
| Current portion of long-term loan to a related party | 15.4 | - | 40,000 | - | 40,000 |
| Inventories | | 9,364 | 10,382 | 5,268 | 5,937 |
| Advance for acquisition of land for real estate development | | 247,000 | 242,000 | 247,000 | 242,000 |
| Cost of real estate development | 8 | 1,608,087 | 1,589,580 | 1,599,067 | 1,578,118 |
| Other current assets | | 25,781 | 31,650 | 16,881 | 16,590 |
| Total current assets | | 3,489,445 | 3,638,509 | 3,375,254 | 3,532,364 |
| Non-current assets | | | | | |
| Bank deposits pledged as security | | 20,154 | 13,505 | 10,202 | 3,553 |
| Financial assets measured at fair value through other comprehensive income | 5 | 123,728 | 131,625 | 123,728 | 131,625 |
| Investments in subsidiaries, net | | - | - | 3,943,392 | 3,943,392 |
| Investments in joint ventures, net | 9 | 1,228,821 | 1,212,815 | 1,133,517 | 1,129,317 |
| Long-term loans to related parties | 15.4 | 625,000 | 625,000 | 625,000 | 625,000 |
| Land held for development | | 130,222 | 130,222 | 130,222 | 130,222 |
| Investment properties, net | | 231,115 | 232,024 | 231,115 | 232,024 |
| Property, plant and equipment, net | 10 | 10,388,911 | 10,412,012 | 5,726,943 | 5,724,002 |
| Right-of-use assets, net | | 540,502 | 576,423 | 32,229 | 36,131 |
| Intangible assets, net | | 49,670 | 52,440 | 46,920 | 49,317 |
| Guarantee for lease agreements | | 224,000 | 224,000 | - | - |
| Deferred tax assets | | 1,045,980 | 1,001,985 | 491,899 | 456,655 |
| Other non-current assets | | 11,017 | 15,602 | 6,612 | 13,047 |
| Total non-current assets | | 14,619,120 | 14,627,653 | 12,501,779 | 12,474,285 |
| Total assets | | 18,108,565 | 18,266,162 | 15,877,033 | 16,006,649 |

Director _____

Director _____

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited
Statement of Financial Position
As at 31 March 2024

| | Notes | Consolidated financial information | | Separate financial information | |
|--|-------|---------------------------------------|-------------------|-----------------------------------|-------------------|
| | | Unaudited | Audited | Unaudited | Audited |
| | | 31 March | 31 December | 31 March | 31 December |
| | | 2024 | 2023 | 2024 | 2023 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Trade and other current payables | | 511,171 | 568,459 | 399,676 | 426,000 |
| Short-term borrowings from related parties | 15.5 | 30,000 | 30,000 | 744,000 | 744,000 |
| Current portion of lease liabilities | | 145,823 | 165,942 | 19,490 | 20,020 |
| Current portion of debentures | 12 | 4,791,215 | 4,774,421 | 4,791,215 | 4,774,421 |
| Deposits and cash received in advance | | 126,046 | 113,804 | 54,038 | 38,245 |
| Current corporate income tax payable | | 671,630 | 655,789 | - | - |
| Other current liabilities | | 285,928 | 257,313 | 71,462 | 69,413 |
| Total current liabilities | | 6,561,813 | 6,565,728 | 6,079,881 | 6,072,099 |
| Non-current liabilities | | | | | |
| Lease liabilities | | 292,133 | 314,814 | 16,465 | 19,976 |
| Liability from lease agreement with buy-back obligation | 11 | 4,562,115 | 4,533,613 | - | - |
| Debentures | 12 | 2,867,445 | 2,861,644 | 2,867,445 | 2,861,644 |
| Long-term borrowing from related party | 15.5 | - | - | 3,500,000 | 3,500,000 |
| Employee benefit obligations | | 124,015 | 122,527 | 70,418 | 68,665 |
| Deferred tax liabilities | | 678,454 | 681,784 | - | - |
| Other non-current liabilities | | 5,570 | 5,476 | 4,930 | 4,773 |
| Total non-current liabilities | | 8,529,732 | 8,519,858 | 6,459,258 | 6,455,058 |
| Total liabilities | | 15,091,545 | 15,085,586 | 12,539,139 | 12,527,157 |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited
Statement of Financial Position
As at 31 March 2024

| | Consolidated | | Separate | |
|--|------------------------------|----------------------|------------------------------|----------------------|
| | financial information | | financial information | |
| | Unaudited | Audited | Unaudited | Audited |
| | 31 March | 31 December | 31 March | 31 December |
| | 2024 | 2023 | 2024 | 2023 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Liabilities and equity (Cont'd) | | | | |
| Equity | | | | |
| Share capital | | | | |
| Authorised share capital | | | | |
| Ordinary shares, 9,341,120,023 shares | | | | |
| at par value of Baht 0.50 each | 4,670,560 | 4,670,560 | 4,670,560 | 4,670,560 |
| Issued and paid-up share capital | | | | |
| Ordinary shares, 9,341,120,023 shares | | | | |
| paid up at Baht 0.50 each | 4,670,560 | 4,670,560 | 4,670,560 | 4,670,560 |
| Share discount on ordinary shares | (568,148) | (568,148) | (568,148) | (568,148) |
| Retained earnings (deficits) | | | | |
| Appropriated - legal reserve | 49,892 | 49,892 | 49,892 | 49,892 |
| Unappropriated | (4,130,893) | (3,973,370) | (3,061,889) | (2,926,609) |
| Other components of equity | 2,885,126 | 2,891,444 | 2,247,479 | 2,253,797 |
| Equity attributable to owners of the parent | 2,906,537 | 3,070,378 | 3,337,894 | 3,479,492 |
| Non-controlling interests | 110,483 | 110,198 | - | - |
| Total equity | 3,017,020 | 3,180,576 | 3,337,894 | 3,479,492 |
| Total liabilities and equity | 18,108,565 | 18,266,162 | 15,877,033 | 16,006,649 |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 31 March 2024

| | Note | Consolidated financial information | | Separate financial information | |
|--|------|---------------------------------------|-------------------|-----------------------------------|-------------------|
| | | Unaudited 2024 | Unaudited 2023 | Unaudited 2024 | Unaudited 2023 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Revenues | | | | | |
| Revenues from hotel operations | | 740,229 | 609,729 | 347,004 | 324,681 |
| Revenues from sales of real estate | | 7,200 | 40,438 | 7,200 | 40,438 |
| Revenues from rental income | | 11,832 | 10,204 | 11,832 | 10,204 |
| Total revenues | | 759,261 | 660,371 | 366,036 | 375,323 |
| Cost of sales of goods and services | | | | | |
| Cost of hotel operations | | (319,626) | (299,156) | (139,666) | (141,892) |
| Cost of sales of real estate | | (3,932) | (26,692) | (3,932) | (26,692) |
| Cost of rental | | (5,296) | (5,029) | (5,296) | (5,029) |
| Total cost of sales of goods and services | | (328,854) | (330,877) | (148,894) | (173,613) |
| Gross profit | | 430,407 | 329,494 | 217,142 | 201,710 |
| Dividend income | | 5,441 | 5,265 | 5,441 | 5,265 |
| Other income | | 24,535 | 32,004 | 38,360 | 43,391 |
| Selling expenses | | (71,656) | (62,193) | (36,560) | (35,817) |
| Administrative expenses | | (316,424) | (267,254) | (148,874) | (142,086) |
| Reversal of expected credit losses on financial asset | | 199 | - | 222 | - |
| Finance costs | | (267,374) | (247,068) | (244,674) | (234,510) |
| Share of profit (loss) from investments in joint ventures | 9 | 11,806 | (4,191) | - | - |
| Loss before income tax | | (183,066) | (213,943) | (168,943) | (162,047) |
| Income tax | | 25,828 | 28,173 | 33,663 | 30,166 |
| Loss for the period | | (157,238) | (185,770) | (135,280) | (131,881) |
| Other comprehensive income (expense) : | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | |
| Changes in fair value of equity investments at fair value through other comprehensive income | | (7,898) | 878 | (7,898) | 878 |
| Income tax on item that will not be reclassified subsequently to profit or loss | | 1,580 | (176) | 1,580 | (176) |
| Other comprehensive income (expense) for the period, net of tax | | (6,318) | 702 | (6,318) | 702 |
| Total comprehensive expense for the period | | (163,556) | (185,068) | (141,598) | (131,179) |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 31 March 2024

| | Note | Consolidated financial information | | Separate financial information | |
|--|------|---------------------------------------|-------------------|-----------------------------------|-------------------|
| | | Unaudited 2024 | Unaudited 2023 | Unaudited 2024 | Unaudited 2023 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | (157,523) | (185,360) | (135,280) | (131,881) |
| Non-controlling interests | | 285 | (410) | - | - |
| | | <u>(157,238)</u> | <u>(185,770)</u> | <u>(135,280)</u> | <u>(131,881)</u> |
| Total comprehensive income (expense) attributable to: | | | | | |
| Owners of the parent | | (163,841) | (184,658) | (141,598) | (131,179) |
| Non-controlling interests | | 285 | (410) | - | - |
| | | <u>(163,556)</u> | <u>(185,068)</u> | <u>(141,598)</u> | <u>(131,179)</u> |
| Loss per share | | | | | |
| Basic loss per share (Baht per share) | 13 | <u>(0.017)</u> | <u>(0.020)</u> | <u>(0.014)</u> | <u>(0.014)</u> |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited
Statement of Changes in Equity
For the three-month period ended 31 March 2024

| | Consolidated financial information (Unaudited) | | | | | | | | | | |
|--|---|--|---------------------------------|--------------------|--|------------------|---|--|---|--|-------------------------------|
| | Attributable to owners of the parent | | | | | | | | | | |
| | Other components of equity | | | | | | | | | | Total equity Thousand Baht |
| | Other comprehensive income (expense) | | | | | | | | | | |
| | Issued and paid-up share capital Thousand Baht | Share discount on ordinary shares Thousand Baht | Retained earnings (deficits) | | Measurement of equity investments at fair value through other comprehensive income Thousand Baht | | Revaluation surplus of land Thousand Baht | Changes in parent's ownership interests in subsidiary Thousand Baht | Total other components of equity Thousand Baht | Total owners of the parent Thousand Baht | |
| Appropriated - legal reserve Thousand Baht | | | Unappropriated Thousand Baht | | | | | | | | |
| Opening balance at 1 January 2023 | 4,670,560 | (568,148) | 49,892 | (3,252,667) | (21,060) | 2,925,927 | 617 | 2,905,484 | 3,805,121 | 112,538 | 3,917,659 |
| Changes in equity for the period | | | | | | | | | | | |
| Loss for the period | - | - | - | (185,360) | - | - | - | - | (185,360) | (410) | (185,770) |
| Other comprehensive income for the period | - | - | - | - | 702 | - | - | 702 | 702 | - | 702 |
| Closing balance at 31 March 2023 | <u>4,670,560</u> | <u>(568,148)</u> | <u>49,892</u> | <u>(3,438,027)</u> | <u>(20,358)</u> | <u>2,925,927</u> | <u>617</u> | <u>2,906,186</u> | <u>3,620,463</u> | <u>112,128</u> | <u>3,732,591</u> |
| Opening balance at 1 January 2024 | 4,670,560 | (568,148) | 49,892 | (3,973,370) | (35,100) | 2,925,927 | 617 | 2,891,444 | 3,070,378 | 110,198 | 3,180,576 |
| Changes in equity for the period | | | | | | | | | | | |
| Gain (loss) for the period | - | - | - | (157,523) | - | - | - | - | (157,523) | 285 | (157,238) |
| Other comprehensive expense for the period | - | - | - | - | (6,318) | - | - | (6,318) | (6,318) | - | (6,318) |
| Closing balance at 31 March 2024 | <u>4,670,560</u> | <u>(568,148)</u> | <u>49,892</u> | <u>(4,130,893)</u> | <u>(41,418)</u> | <u>2,925,927</u> | <u>617</u> | <u>2,885,126</u> | <u>2,906,537</u> | <u>110,483</u> | <u>3,017,020</u> |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited
Statement of Changes in Equity
For the three-month period ended 31 March 2024

| | Separate financial information (Unaudited) | | | | | | | |
|--|---|--|------------------------------|--------------------|---|---|---|-------------------------------|
| | Issued and paid-up share capital Thousand Baht | Share discount on ordinary shares Thousand Baht | Retained earnings (deficits) | | Other components of equity | | Total other components of equity Thousand Baht | Total equity Thousand Baht |
| | | | Appropriated | | Other comprehensive income (expense) | | | |
| | | | - legal reserve | Unappropriated | Measurement of equity | | | |
| | | | Thousand Baht | Thousand Baht | investments at fair value through other comprehensive income Thousand Baht | Revaluation surplus of land Thousand Baht | | |
| Opening balance at 1 January 2023 | 4,670,560 | (568,148) | 49,892 | (2,251,800) | (21,060) | 2,288,897 | 2,267,837 | 4,168,341 |
| Changes in equity for the period | | | | | | | | |
| Loss for the period | - | - | - | (131,881) | - | - | - | (131,881) |
| Other comprehensive income for the period | - | - | - | - | 702 | - | 702 | 702 |
| Closing balance at 31 March 2023 | <u>4,670,560</u> | <u>(568,148)</u> | <u>49,892</u> | <u>(2,383,681)</u> | <u>(20,358)</u> | <u>2,288,897</u> | <u>2,268,539</u> | <u>4,037,162</u> |
| Opening balance at 1 January 2024 | 4,670,560 | (568,148) | 49,892 | (2,926,609) | (35,100) | 2,288,897 | 2,253,797 | 3,479,492 |
| Changes in equity for the period | | | | | | | | |
| Loss for the period | - | - | - | (135,280) | - | - | - | (135,280) |
| Other comprehensive expense for the period | - | - | - | - | (6,318) | - | (6,318) | (6,318) |
| Closing balance at 31 March 2024 | <u>4,670,560</u> | <u>(568,148)</u> | <u>49,892</u> | <u>(3,061,889)</u> | <u>(41,418)</u> | <u>2,288,897</u> | <u>2,247,479</u> | <u>3,337,894</u> |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited

Statement of Cash Flows

For the three-month period ended 31 March 2024

| | Consolidated | | Separate | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | financial information | | financial information | |
| | Unaudited 2024 | Unaudited 2023 | Unaudited 2024 | Unaudited 2023 |
| Note | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Cash flows from operating activities | | | | |
| Loss before income tax | (183,066) | (213,943) | (168,943) | (162,047) |
| Adjustments for: | | | | |
| Depreciation and amortisation | 98,150 | 96,257 | 28,476 | 31,125 |
| Increase (decrease) in expected credit losses | (199) | 149 | (222) | 39 |
| Amortisation of unearned leasehold rights | (461) | (246) | (324) | (152) |
| Write-off of withholding tax | - | 1 | - | - |
| Net gain on disposals of equipment | (453) | (12) | (275) | (12) |
| Warranty provision for real estate project | 35 | 236 | 35 | 236 |
| Employee benefit expenses | 6,834 | 4,689 | 2,185 | 2,710 |
| Dividend income | (5,441) | (5,265) | (5,441) | (5,265) |
| Interest income | (16,222) | (16,559) | (28,029) | (26,003) |
| Finance costs | 267,374 | 247,068 | 244,674 | 234,510 |
| Share of (profit) loss from investments in joint ventures | 9 (11,806) | 4,191 | - | - |
| Changes in operating assets and liabilities: | | | | |
| Trade and other receivables | 28,131 | (26,004) | 12,433 | (30,742) |
| Inventories | 1,018 | 2,492 | 669 | 842 |
| Cost of real estate development | (4,753) | 22,541 | (4,753) | 22,541 |
| Guarantee for lease agreements | - | (34,361) | - | - |
| Other current assets | 860 | 2,148 | 658 | 1,129 |
| Other non-current assets | 4,420 | 5,663 | 4,378 | 4,480 |
| Trade and other payables | (49,668) | (9,349) | (20,998) | 14,740 |
| Deposits and cash received in advance | 12,242 | (2,973) | 15,793 | (6,241) |
| Other current liabilities | 28,580 | 39,038 | 2,014 | 3,262 |
| Employee benefit obligations | (5,346) | (2,542) | (432) | (462) |
| Other non-current liabilities | 555 | (21) | 481 | (111) |
| Cash generated from operating activities | 170,784 | 113,198 | 82,379 | 84,579 |
| Interest paid | (163,365) | (139,428) | (238,317) | (224,604) |
| Income tax paid | (2,011) | (2,290) | (949) | (1,164) |
| Income tax received | 1,051 | 586 | - | - |
| Net cash generated from (used in) operating activities | 6,459 | (27,934) | (156,887) | (141,189) |

The accompanying notes are an integral part of this interim financial information.

Grande Asset Hotels and Property Public Company Limited

Statement of Cash Flows

For the three-month period ended 31 March 2024

| | Notes | Consolidated | | Separate | |
|---|-------|-----------------------|-------------------|-----------------------|-------------------|
| | | financial information | | financial information | |
| | | Unaudited 2024 | Unaudited 2023 | Unaudited 2024 | Unaudited 2023 |
| | | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Cash flows from investing activities | | | | | |
| Increase in bank deposits pledged as security | | (6,649) | (163) | (6,649) | (163) |
| Payments for short-term loans to related parties | 15.4 | (10,000) | (3,500) | (52,500) | (86,000) |
| Proceeds from long-term loans to related party | 15.4 | 40,000 | - | 40,000 | - |
| Payments for investment in joint ventures | 9 | (4,200) | (16,800) | (4,200) | (16,800) |
| Proceeds for advances for land | | | | | |
| for real estate development | | 5,000 | 10,000 | 5,000 | 10,000 |
| Payments for advances for land | | | | | |
| for real estate development | | (10,000) | - | (10,000) | - |
| Proceeds from disposals of equipment | | 458 | 28 | 280 | 28 |
| Payments for property, plant and equipment | | (29,060) | (17,982) | (21,032) | (1,585) |
| Payment for right of use | | - | (1,949) | - | - |
| Purchase of intangible assets | | - | (78) | - | (24) |
| Dividend received | | 5,441 | 5,265 | 5,441 | 5,265 |
| Interest received | | 15,576 | 17,616 | 14,910 | 17,436 |
| Net cash generated from (used in) investing activities | | 6,566 | (7,563) | (28,750) | (71,843) |
| Cash flows from financing activities | | | | | |
| Repayments of liability from lease agreement | | | | | |
| with buy-back obligation | | (69,000) | (69,000) | - | - |
| Repayments of liabilities under lease agreements | | (46,799) | (62,593) | (4,828) | (5,069) |
| Repayments of debentures | | - | (276,500) | - | (276,500) |
| Payments for financing fees and debentures | | (891) | (1,933) | (891) | (1,933) |
| Net cash used in financing activities | | (116,690) | (410,026) | (5,719) | (283,502) |
| Net decrease in cash and cash equivalents | | (103,665) | (445,523) | (191,356) | (496,534) |
| Cash and cash equivalents at the beginning | | | | | |
| of the period | | 1,363,981 | 1,652,287 | 922,608 | 1,479,156 |
| Cash and cash equivalents at the end of the period | | 1,260,316 | 1,206,764 | 731,252 | 982,622 |
| Supplemental cash flow information | | | | | |
| Significant non-cash transactions are as follows: | | | | | |
| Additional right-of-use assets which have not been | | | | | |
| paid under lease agreements during the period | | 4,007 | 24,788 | 787 | 24,788 |
| Transferred cash deposit to property, plant | | | | | |
| and equipment | 10 | 2,057 | - | 2,057 | - |

The accompanying notes are an integral part of this interim financial information.

1 General information

Grande Asset Hotels and Property Public Company Limited (“the Company”) is a public limited company which listed on the Stock Exchange of Thailand.

The principal business operations of the Company and its subsidiaries (“the Group”) are hotel, property development and rental businesses.

These interim consolidated and separate financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The interim consolidated and separate financial information were authorised for issue by the Board of Directors on 9 May 2024.

2 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

An English version of these interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

3 Going concern

For the three-month period ended 31 March 2024, the Group and the Company had net losses of Baht 157.24 million and Baht 135.28 million, respectively. The Group has improved its operating performance continuously from the previous year. However, the financial costs are continuously high level. As at 31 March 2024, the Group’s and the Company’s information show current liabilities exceeding current assets by Baht 3,072.37 million and Baht 2,704.63 million, respectively (31 December 2023: Baht 2,927.22 million and Baht 2,539.74 million, respectively). However, the Group’s management has devised an appropriate financial plan to manage cash flows and sustain business operations over the next 12 months. The Company issued additional debentures of Baht 824.50 million and drawdown a loan from financial institution of Baht 3,500 million (Note 16) and has plan for the future sale of hotel assets. Therefore, the Group’s management is confident that it can manage its current and future liabilities and continue operating smoothly.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are the same as those used in the preparation of the financial statements for the fiscal year ended 31 December 2023.

Since 1 January 2024, the Group has adopted the amended financial reporting standards those are effective for accounting period beginning or after 1 January 2024. The adoption of these amendments does not have any significant impact on the Group’s financial statements.

5 Fair value

The following table presents fair value of financial assets and financial liabilities recognised by their fair value hierarchy.

| | Consolidated and Separate financial information | |
|--|--|---|
| | Level 1 | |
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Assets | | |
| Financial assets at fair value through other comprehensive income | | |
| Equity instruments | 123,728 | 131,625 |
| Total assets | 123,728 | 131,625 |

The Group and the Company do not have financial assets and liabilities that are measured at fair value in Level 2 and Level 3 and there were no transfer between levels of fair value hierarchy and no changes in valuation techniques during the period.

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6 Segment and revenue information

Significant information relating to revenue and profit (loss) of the reportable segments for the three-month period ended 31 March as follows:

| | Consolidated financial information (Unaudited) | | | | | | | |
|--|--|---------------|-------------------------------|---------------|-----------------|---------------|---------------|---------------|
| | Hotel business | | Property development business | | Rental business | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| External customer revenue | 744,655 | 613,541 | 7,227 | 40,459 | 11,837 | 10,209 | 763,719 | 664,209 |
| Segment revenue | 744,655 | 613,541 | 7,227 | 40,459 | 11,837 | 10,209 | 763,719 | 664,209 |
| Timing of revenue recognition | | | | | | | | |
| At a point in time | 225,119 | 195,965 | 7,227 | 40,459 | - | - | 232,346 | 236,424 |
| Over time | 519,536 | 417,576 | - | - | 11,837 | 10,209 | 531,373 | 427,785 |
| Total revenue | 744,655 | 613,541 | 7,227 | 40,459 | 11,837 | 10,209 | 763,719 | 664,209 |
| Segment profit (loss) | (15,187) | (53,819) | (4,844) | 1,986 | 6,170 | 5,166 | (13,861) | (46,667) |
| Unallocated incomes (expenses) | | | | | | | | |
| Dividend income | | | | | | | 5,441 | 5,265 |
| Other incomes | | | | | | | 20,077 | 28,166 |
| Selling expenses | | | | | | | (90) | (202) |
| Administrative expenses | | | | | | | (52,434) | (50,882) |
| Finance costs | | | | | | | (154,005) | (145,432) |
| Share of profit (loss) from investments in joint ventures | | | | | | | 11,806 | (4,191) |
| Loss before income tax | | | | | | | (183,066) | (213,943) |
| Income tax | | | | | | | 25,828 | 28,173 |
| Loss for the period | | | | | | | (157,238) | (185,770) |

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| | Separate financial information (Unaudited) | | | | | | | |
|--------------------------------------|--|----------------|-------------------------------|---------------|-----------------|---------------|----------------|----------------|
| | Hotel business | | Property development business | | Rental business | | Total | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Timing of revenue recognition | | | | | | | | |
| At a point in time | 103,842 | 107,273 | 7,214 | 40,459 | - | - | 111,056 | 147,732 |
| Over time | 246,539 | 220,883 | - | - | 11,837 | 10,209 | 258,376 | 231,092 |
| Total revenue | 350,381 | 328,156 | 7,214 | 40,459 | 11,837 | 10,209 | 369,432 | 378,824 |

7 Trade receivables, net

Trade receivables, included in trade and other current receivables, net in the statements of financial position, can be analysed based on their aging as follows:

| | Consolidated financial information | | Separate financial information | |
|--|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Not yet due | 70,321 | 95,612 | 30,978 | 39,029 |
| Overdue | | | | |
| Within 3 months | 10,254 | 11,551 | 4,191 | 6,677 |
| 3 - 6 months | 119 | 891 | 57 | 24 |
| 6 - 12 months | - | 9 | - | - |
| Over 12 months | 73,545 | 73,545 | 73,312 | 73,312 |
| | 154,239 | 181,608 | 108,538 | 119,042 |
| <u>Less</u> Allowance for expected credit losses | (56,776) | (58,147) | (56,200) | (57,594) |
| Total | 97,463 | 123,461 | 52,338 | 61,448 |

Trade receivables that are overdue more than 12 months amounting to Baht 71.68 million is a secured receivable in form of mortgage assets of the debtor to the Company. The assets have an appraised value of Baht 41.62 million.

8 Cost of real estate development

Movement of cost of real estate development for the three-month period ended 31 March 2024 is as follows:

| | Consolidated financial information Thousand Baht | Separate financial information Thousand Baht |
|---|--|--|
| Opening net book value | 1,589,580 | 1,578,118 |
| Additions | 8,685 | 8,685 |
| Capitalised borrowing costs | 8,102 | 10,544 |
| Transfers from deposits for construction | 5,652 | 5,652 |
| Transfers to cost of sales of real estate | (3,932) | (3,932) |
| Closing net book value | 1,608,087 | 1,599,067 |
| Capitalisation rate (%) | 8.47 | 8.62 |

The Group has mortgaged the land with structures thereon as collateral for debentures summarised as follows:

| | Consolidated financial information | | Separate financial information | |
|-------------------------------------|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Collateral for debentures (Note 12) | 1,442,534 | 1,424,035 | 1,433,514 | 1,412,574 |

9 Investments in joint ventures, net

Movement of investments in joint ventures for the three-month period ended 31 March 2024 is as follows:

| | Consolidated financial information Equity method Thousand Baht | Separate financial information Cost method Thousand Baht |
|---|---|---|
| Opening net book value | 1,212,815 | 1,129,317 |
| Increase capital | 4,200 | 4,200 |
| Share of profits from investments in joint ventures | 11,806 | - |
| Closing net book value | 1,228,821 | 1,133,517 |

On 25 January 2024, the Company paid 42,000 additional ordinary shares of Grand River Forest Company Limited (a joint venture) with a par value of 100 baht per share. The price of 100 baht per share is in the amount of Baht 4.2 million in full value which is in accordance with the shareholding proportion of the existing shareholders in the proportion of 42%. Such joint venture registered to increase capital with the Ministry of Commerce on 26 January 2024.

On 25 April 2024, the Company paid 420,000 additional ordinary shares of Grand River Forest Company Limited (a joint venture) with a par value of 100 baht per share. The price of 100 baht per share is in the amount of Baht 42 million in full value which is in accordance with the shareholding proportion of the existing shareholders in the proportion of 42%. Such joint venture registered to increase capital with the Ministry of Commerce on the same date. This transaction has not been recognised in the financial information for the three-month period ended 31 March 2024.

10 Property, plant and equipment, net

Movement of property, plant and equipment for the three-month period ended 31 March 2024 is as follows:

| | Consolidated financial information Thousand Baht | Separate financial information Thousand Baht |
|----------------------------------|---|---|
| Opening net book value | 10,412,012 | 5,724,002 |
| Additions | 29,399 | 21,371 |
| Transferred in from cash deposit | 2,057 | 2,057 |
| Disposals | (5) | (5) |
| Depreciation | (54,552) | (20,482) |
| Closing net book value | 10,388,911 | 5,726,943 |

The Company mortgaged the land with structures thereon as collateral for debentures as follows:

| | Consolidated and Separate financial information | |
|-------------------------------------|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Collateral for debentures (Note 12) | 5,506,784 | 5,502,876 |

As at 31 March 2024, property, plant and equipment of a subsidiary at net book value of Baht 4,530.88 million (31 December 2023: Baht 4,558.05 million) was owned by MFC Asset Management Public Company Limited, as the trustee of Grande Royal Orchid Hospitality Real Estate Investment Trust (Note 11).

11 Liability from lease agreement with buy-back obligation

Movements of liability from lease agreement with buy-back obligation net from transaction costs and amortisation of expenses during the three-month period ended 31 March 2024 are summarised below.

| | Consolidated financial information Thousand Baht |
|--|---|
| Opening net book value | 4,533,613 |
| Cash flows | |
| Payment of rental property during the period | (23,000) |
| Non-cash movement | |
| Transfer rental on the due date presented to other payable | (45,500) |
| Recognise of interest expense with an effective interest rate method | 97,002 |
| Closing net book value | 4,562,115 |
| Fair value as at 31 March 2024 | 4,563,663 |

12 Debentures

Movement of debentures for the three-month period ended 31 March 2024 is as follows:

| | Consolidated and Separate financial information Thousand Baht |
|-----------------------------------|--|
| Opening net book value | 7,636,065 |
| Non-cash movement | |
| Amortisation of front-end fees | 22,595 |
| Closing net book value | 7,658,660 |
| Current portion of debentures | 4,791,215 |
| Non-current portion of debentures | 2,867,445 |
| Fair value as at 31 March 2024 | 7,670,103 |

The terms and conditions of debentures contain financial covenant which requires the Group to maintain net debt-to-equity ratio at the rates prescribed in the terms and conditions.

The Group pledged asset to secure of the secured debentures summarised as follows:

| | Consolidated financial information | | Separate financial information | |
|--|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Bank deposits pledged as security | 6,702 | - | 6,702 | - |
| Cost of real estate development (Note 8) | 1,442,534 | 1,424,035 | 1,433,514 | 1,412,574 |
| Financial assets measured at fair value through other comprehensive income | 60,087 | 63,922 | 60,087 | 63,922 |
| Investment in a subsidiary, net | - | - | 2,203,457 | 2,114,248 |
| Land held for development | 120,321 | 120,321 | 120,321 | 120,321 |
| Investment properties, net | 227,717 | 228,595 | 227,717 | 228,595 |
| Property plant and equipment, net (Note 10) | 5,506,784 | 5,502,876 | 5,506,784 | 5,502,876 |
| Total net book value | 7,364,145 | 7,339,749 | 9,558,582 | 9,442,536 |

13 Loss per share

Basic loss per share is calculated by dividing the net loss attributable to shareholders of the Company by the weighted average number of ordinary shares, for the three-month period ended 31 March as follows:

| | Consolidated financial information | | Separate financial information | |
|--|---------------------------------------|-------------------|-----------------------------------|-------------------|
| | Unaudited 2024 | Unaudited 2023 | Unaudited 2024 | Unaudited 2023 |
| For the three-month period ended 31 March | | | | |
| Basic loss per share | | | | |
| Net loss for the period attributable to owners of the parent (Thousand Baht) | (157,523) | (185,360) | (135,280) | (131,881) |
| Weighted average number of ordinary shares outstanding (Thousand shares) | 9,341,120 | 9,341,120 | 9,341,120 | 9,341,120 |
| Basic loss per share (Baht per share) | (0.017) | (0.020) | (0.014) | (0.014) |

14 Commitments and contingencies

14.1 Capital expenditure commitments

The Group had capital expenditure commitments which were not recognised in the financial information as follows:

| | Consolidated financial information | | Separate financial information | |
|-------------------------------|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Real estate development | 29,306 | 44,392 | 29,306 | 44,392 |
| Property, plant and equipment | 43,211 | 37,353 | 24,224 | 23,010 |
| Total | 72,517 | 81,745 | 53,530 | 67,402 |

14.2 Guarantees

| | Consolidated financial information | | Separate financial information | |
|-----------------|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Bank guarantees | 14,042 | 14,042 | 3,000 | 3,000 |

As at 31 March 2024, the Group has the outstanding letters of guarantee issued by the banks on behalf of the Company and subsidiaries in respect of obligated guarantees for the normal course of business. The Group also used its bank deposits amounting to Baht 12.95 million (31 December 2023: Baht 12.95 million) as collaterals for these bank guarantees.

14.3 Long-term service commitments

The Group had non-cancellable long-term service commitments which were not recognised in the financial statements as follows:

| | Consolidated financial information | | Separate financial information | |
|---|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Within 1 year | 2,838 | 3,798 | - | - |
| Later than 1 year but not later than 5 years | - | 41 | - | - |
| Total | 2,838 | 3,839 | - | - |

14.4 The Company's significant lawsuits and the income tax payable of its subsidiary

During the three-month period ended 31 March 2024, there were no significant changes regarding the Company's significant lawsuits and the income tax payable of its subsidiary, as disclosed in the financial statements for the year ended 31 December 2023.

15 Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint ventures and individuals or entities having significant influence over the Company, key management personnel, including directors of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

15.1 Parent entities

The Group is controlled by the following entities:

| Name | Relationship type | Place of incorporation |
|---|----------------------------|---------------------------|
| Thai Property Public Company Limited | Parent | Thailand |
| Property Perfect Public Company Limited | Ultimate controlling party | Thailand |

15.2 Transactions with related parties

Transactions with related parties for the three-month period ended 31 March are as follows:

| | Consolidated financial information | | Separate financial information | |
|--------------------------|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Unaudited 2024 Thousand Baht | Unaudited 2023 Thousand Baht | Unaudited 2024 Thousand Baht | Unaudited 2023 Thousand Baht |
| Management income | | | | |
| Subsidiaries | - | - | 2,400 | 2,100 |
| Joint ventures | 3,721 | 11,700 | 3,721 | 11,700 |
| | 3,721 | 11,700 | 6,121 | 13,800 |
| Interest income | | | | |
| Subsidiaries | - | - | 12,473 | 9,623 |
| Joint ventures | 15,524 | 15,986 | 15,524 | 15,986 |
| | 15,524 | 15,986 | 27,997 | 25,609 |
| Interest expenses | | | | |
| Parent | 555 | 437 | 561 | 441 |
| Subsidiaries | - | - | 85,287 | 83,887 |
| | 555 | 437 | 85,848 | 84,328 |

15.3 Outstanding balances arising from sales and purchases of goods and services

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

| | Consolidated financial information | | Separate financial information | |
|----------------------------------|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Other receivables | | | | |
| Joint ventures | 7,750 | 4,213 | 7,750 | 4,213 |
| | 7,750 | 4,213 | 7,750 | 4,213 |
| Accrued interest income | | | | |
| Subsidiaries | - | - | 102,452 | 89,979 |
| Joint ventures | 64,182 | 63,536 | 64,182 | 63,536 |
| | 64,182 | 63,536 | 166,634 | 153,515 |
| Accrued interest expenses | | | | |
| Parent | 19 | 51 | 19 | 51 |
| Subsidiaries | - | - | 94,620 | 92,826 |
| | 19 | 51 | 94,639 | 92,877 |

15.4 Loans to related parties

| | Consolidated financial information | | Separate financial information | |
|---|--|---|--|---|
| | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht | Unaudited 31 March 2024 Thousand Baht | Audited 31 December 2023 Thousand Baht |
| Current | | | | |
| Short-term loans to subsidiaries | - | - | 392,768 | 350,268 |
| Short-term loans to joint ventures | 100,000 | 90,000 | 100,000 | 90,000 |
| Current portion of long-term loan to a joint venture | - | 40,000 | - | 40,000 |
| Non-current | | | | |
| Long-term loans to joint ventures | 625,000 | 625,000 | 625,000 | 625,000 |
| Total | 725,000 | 755,000 | 1,117,768 | 1,105,268 |

Movement of loans to related parties for the three-month period ended 31 March 2024 is as follows:

| | Consolidated financial information Thousand Baht | Separate financial information Thousand Baht |
|------------------------|--|--|
| Current | | |
| Subsidiaries | | |
| Opening net book value | - | 350,268 |
| Additions | - | 42,500 |
| Closing net book value | - | 392,768 |
| Joint venture | | |
| Opening net book value | 130,000 | 130,000 |
| Additions | 10,000 | 10,000 |
| Repayment | (40,000) | (40,000) |
| Closing net book value | 100,000 | 100,000 |
| Non-current | | |
| Joint ventures | | |
| Opening net book value | 625,000 | 625,000 |
| Closing net book value | 625,000 | 625,000 |

Loans to related parties were made on commercial terms and conditions with unsecured and carried interest at fixed rate for subsidiaries and weighted average finance costs of the Company plus fixed rate for joint ventures.

Subsequently, on 17 April 2024, the Company received the repayment of long-term loan to joint venture of Baht 80 million before the maturity date in the agreement.

15.5 Borrowings from related parties

| | Consolidated financial information | | Separate financial information | |
|---|------------------------------------|--------------------------|--------------------------------|--------------------------|
| | Unaudited 31 March 2024 | Audited 31 December 2023 | Unaudited 31 March 2024 | Audited 31 December 2023 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Current | | | | |
| Short-term borrowings from parent | 30,000 | 30,000 | 30,000 | 30,000 |
| Short-term borrowings from subsidiaries | - | - | 714,000 | 714,000 |
| Non-current | | | | |
| Long-term borrowings from subsidiary | - | - | 3,500,000 | 3,500,000 |
| Total | 30,000 | 30,000 | 4,244,000 | 4,244,000 |

Movement of borrowings from related parties for the three-month period ended 31 March 2024 is as follows:

| | Consolidated financial information | Separate financial information |
|------------------------|------------------------------------|--------------------------------|
| | Thousand Baht | Thousand Baht |
| Current | | |
| Parent | | |
| Opening net book value | 30,000 | 30,000 |
| Closing net book value | 30,000 | 30,000 |
| Subsidiaries | | |
| Opening net book value | - | 714,000 |
| Closing net book value | - | 714,000 |
| Non-current | | |
| Subsidiary | | |
| Opening net book value | - | 3,500,000 |
| Closing net book value | - | 3,500,000 |

Short-term borrowings from related parties were made on commercial terms and conditions with unsecured and repayable at call and carried interest rate at weighted average finance costs plus fixed interest rate for short-term borrowings from parent company, fixed interest rate for short-term and long-term borrowings from a subsidiary and THBFIX (12 months) plus fixed interest rate for short-term borrowings from a subsidiary.

On 15 July 2021, the Company entered into a loan agreement with Royal Orchid Hotel (Thailand) Public Company Limited, a subsidiary, to borrow an amount not exceeding Baht 4,000 million for a five-year term with a fixed interest rate and conditions as set out in the loan agreement. As at 31 March 2024, the loan from this loan facility has been drawdown amount of Baht 3,990 million.

15.6 Key management compensation

The compensation paid or payable to key management includes directors (executive and non-executive) for the three-month period ended 31 March is as follows:

| | Consolidated financial information | | Separate financial information | |
|---|------------------------------------|----------------|--------------------------------|----------------|
| | Unaudited 2024 | Unaudited 2023 | Unaudited 2024 | Unaudited 2023 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| Salaries and other short-term employee benefits | 22,969 | 26,795 | 12,544 | 16,209 |
| Post-employment benefits | | | | |
| Other long-term employee benefits | 357 | 380 | 256 | 309 |
| | 1 | 1 | - | - |
| Total | 23,327 | 27,176 | 12,800 | 16,518 |

16 Events occurring after the reporting date

16.1 Issuance of debentures

On 11 April 2024, the Company issued debenture no. 1/2024 in Thai Baht which is name-registered, unsubordinated and callable debentures with debentureholders' representative, totaling amount to Baht 824.50 million as follows

| Debentures | Unit | Unit par Baht per unit | Total value Thousand Baht | Interest rate % per annum | Term | Issue date | Maturity date |
|--|---------|---------------------------|------------------------------|------------------------------|--------------------|---------------|------------------|
| Secured debenture No.1/2024 Tranche 1 | 668,700 | 1,000 | 668,700 | 7.25 | 2 years | 11 Apr 2024 | 11 Apr 2026 |
| Unsecured debenture No.1/2024 Tranche 2 | 155,800 | 1,000 | 155,800 | 7.40 | 1 year 6 months | 11 Apr 2024 | 11 Oct 2025 |

The aforementioned collateral comprises land, condominium's units and ordinary shares of a subsidiary. The terms and conditions of debentures contain financial covenants which requires the Group to maintain net debt-to-equity ratio at the rate prescribed in the terms and conditions.

16.2 Borrowings from a financial institution

On 4 April 2024, the Company entered into loan agreements with a financial institution of Bath 3,500 million, bearing an interest rate at MLR per annum.

On 9 April 2024, the Company drawdown such loan by issuing a promissory note and has mortgaged the Group's land and buildings to secure such loan, with maturity period of 180 days. The Company utilised cash received from such loan to repay debenture No. 3/2022 matured on the same date of Baht 3,500 million.