



15 November 2021

SUBJECT : Submit the reviewed financial statements and clarify the result of the third quarter ended 30 September 2021

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the third quarter ended 30 September 2021 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the third quarter period ended 30 September 2021 of Asia Hotel Public Company Limited (“ASIA”) and its subsidiaries which have been approved by the Board of Directors. ASIA would like to clarify the result of the third quarter period of the year 2021 as follows:

Analysis and explanations by the management

Overall picture of the business operations

The coronavirus outbreak (Covid-19) has occurred since the end of March 2020, which has severely slowed down the economy. Tourism has been affected by international travel restrictions, in order to control the spread of the Coronavirus (Covid-19). The number of tourists, both Thai people and foreigners has decreased.

In the second half of the year 2020, the Thai government has taken measures to ease the lockdown, causing the economy to recover, including the government releasing economic stimulus measures such as stimulating domestic travel, government seminars, and allowed to sit and dine in the restaurant.

In early 2021, the economy slowed again due to a new outbreak. The number of infected cases has risen, and the government requests cooperation to refrain from traveling. From April 2021 onwards, the number of infected people has increased, as a result, the hospital is insufficient for treatment. The government has issued strict protection measures in the red area, do not leave the residence during 9.00 p.m.-04.00 a.m., do not gather in groups of more than 5 people, resulting in unable to hold a seminar, and unable to eat in the restaurant. Government Measures have a huge impact on the company, and from 20 July 2021 to 2 August 2021, Shopping centers and department stores have to be opened for service only in the supermarket department, medicine and supplies shops.

During the past period, the rate of vaccination has increased continuously, resulting in a significant decrease in the number of severe cases and deaths, which is a factor affecting the overall situation which the government has canceled curfew measures, people can sit and eat in restaurants, hotels, exhibition centers. exhibition venue can be opened for organizing meetings and seminars

Thailand has opened the country to accept foreign tourists without quarantine, starting November 1, 2021 for tourists who have been fully vaccinated from 63 countries / areas without quarantine. In which travelers entering the country must pass the regulations set by the government which is a good sign.

The company has joined the SHA Plus project with TAT and the Ministry of Public Health to prepare to welcome customers and tourists. To respond to the new lifestyle (New Normal), such measures increase the confidence of the service users as well. The company also has measures to control costs and expenses to reduce the impact of unrecoverable income.

In the third quarter of 2021, the company and subsidiaries had total revenue of 146.77 million baht, a decrease of 73.99 million baht, or 33.52% from the previous year, the company and its subsidiaries had generated 72.54 million baht revenue from the hotel business (the room revenue of Q3/2020 =97.88 million baht), consist of domestic hotel business had revenue of 50.15 million baht, decreased from the previous year by 29.48 million baht and the oversea hotel business had revenue of 22.39 million baht, increased from the previous year by 4.14 million baht. The increased revenue came from Quality Inn Long Beach Airport, U.S.A.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 74.23 million baht, consisting of domestic rental revenue of 63.87 million baht and overseas rental revenue of 10.36 million baht. The revenue from the Rental Area business in this quarter decreased from the previous year by 48.65 million baht or 39.6%.

In Q3/2021 the company and subsidiaries had a gross profit of 9.61 million baht (For Q3/2020 had a gross profit of 36.67 million baht) and net loss (Equity holders of the parent) amounted of 36.74 million baht, loss increased of 13.36 million baht from the previous year.

Statements of Profit or Loss and other comprehensive income for the three - month periods ended September 30, 2021			
Unit : Millon Baht	Q3/2021	Q3/2020	Change
	Amount	Amount	Amount
Revenues			
Income from hotel business	72.54	97.88	(25.34)
Rental and service income	74.23	122.88	(48.65)
Total Revenue	146.77	220.76	(73.99)
Cost of hotel business	57.28	83.53	(26.25)
Cost of rental and service	79.88	100.56	(20.68)
Total cost of sales and service	137.16	184.09	(46.93)
Gross Profit (Loss)	9.61	36.67	(27.06)
Other Income	8.79	14.79	(6.00)
Profit before expenses	18.40	51.46	(33.06)
Distribution costs	3.12	7.72	(4.60)
Administrative expenses	18.45	25.05	(6.60)
Management benefit expenses	0.42	0.92	(0.50)
Profit (loss) from operation activities	(3.59)	17.77	(21.36)
Financial cost	30.56	32.26	(1.70)
Impairment loss determined in accordance with TFRS9	1.71	2.58	(0.87)
Loss before income tax	(35.86)	(17.07)	(18.79)
Income tax (expense) revenue	(1.69)	(6.34)	4.65
Net profit (loss) for the period	(37.55)	(23.41)	(14.14)

In an analysis of the operation results for the third quarter of year 2021 and profitability of the company and its subsidiaries classified according to the revenue structure, cost of sale and service, expense on the operations and financial cost as follows:

Details on Revenue from Hotel Business						
Unit Million Baht	Room		Food & Beverage		Total Hotel Business	
	Q 3 / 2021	Q 3 / 2020	Q 3 / 2021	Q 3 / 2020	Q 3 / 2021	Q 3 / 2020
Revenue						
Revenue from hotel business	58.77	59.94	13.77	37.94	72.54	97.88
Proportion of Room : F&B	81.0%	61.2%	19.0%	38.8%	100.0%	100.0%
Cost of Sale	42.16	51.90	15.11	31.63	57.27	83.53
Cost Ratio(Cost of Sale / Revenue)	71.7%	86.6%	109.7%	83.4%	78.9%	85.3%
Gross Profit	16.61	8.04	(1.34)	6.31	15.27	14.35
GP Margin(Gross profit / Revenue)	28.3%	13.4%	-9.7%	16.6%	21.1%	14.7%

1) Income from the rooms

The company and its subsidiaries operated 7 hotels consisted of 1) Asia Hotel, which situated in Ratcha Thewi district, Bangkok, 2) Asia Pattaya Hotel at Pattaya city, 3) Asia Airport Hotel in Rangsit, Pathum Thani province, 4) Asia Hotel Cha-um, at Cha-um Beach, Phetchaburi province, 5) Ratchapruek Lanna Boutique Hotel at Nongkwai Sub-district, Hang Dong District, Chiang Mai, 6) Darley Hotel Chiang Mai at Chang Moi, Amphoe Mueang, Chiang Mai and 7) Quality Inn Long Beach Airport, located 3201 E. Pacific High Way, Signal Hill, California, U.S.A.. The company and its subsidiaries had revenue from rooms in the third quarter of year 2021 totaled 72.54 million baht, decreased from the same quarter of previous year by 25.34 million baht or 25.9% lower.

Revenue from rooms in Q3/2021 totaled 58.77 million baht (Domestic room revenue was 36.38 million baht and oversea room revenue was 22.39 million baht), decreased from Q3/2020 that revenue amount 59.94 million baht, by 1.17 million baht or 2% lower.

Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q3/2021 amounted to 13.77 million baht, for Q3/2020 was amounted to 37.94 million baht, decreased from the previous year by 24.17 million baht resulting from the spread of the Coronavirus (Covid-19).

2) Income from rent and services

Zeer Property and its subsidiaries have rental and services income from leasing space income such as 1) Zeer Rangsit Shopping Center, 2) The Hub Shopping Mall, 3) AA-Town Apartment, 4) Asia Airport Hotel, Rangsit 5) Asia Cha-um Hotel and the 3 subsidiaries that shareholding by Zeer Property consist of 1) Zeer Asset Co., Ltd. which invested and leasing in "Rachapruek Lanna Boutique Hotel" Chiang Mai, 2) Spa Hotel Co., Ltd. which operated "Laan Sook Plaza Project" and leasing in "Darley Hotel Chiang Mai" and 3) Zeer Overseas LLC, which is a subsidiary of Zeer Property, incorporated in the USA., which operated "Glendale Plaza" in California, USA., and "Quality Inn Long Beach Signal Hill" in U.S.A.

Details on Revenue from Rental and Service Business						
Unit Million Baht	Domestic		Overseas		Total	
	Q 3 / 2021	Q 3 / 2020	Q 3 / 2021	Q 3 / 2020	Q 3 / 2021	Q 3 / 2020
Revenue						
Revenue from rental and service business	63.87	115.49	10.36	7.39	74.23	122.88
Cost of Sale	77.61	98.87	2.28	1.69	79.89	100.56
Cost Ratio (Cost of Sale / Revenue)	121.5%	85.6%	22.0%	22.9%	107.6%	81.8%
Gross Profit	(13.74)	16.62	8.08	5.70	(5.66)	22.32
GP Margin (Gross profit / Revenue)	-21.5%	14.4%	78.0%	77.1%	-7.6%	18.2%

Rental and service income in the third quarter of 2021 was 74.23 million baht (Domestic Rental Revenue 63.87 million baht and Overseas Rental Revenue 10.36 million baht), a decrease of Baht 48.65 million baht from the same quarter of last year. Due to the situation of the epidemic of COVID-19, the government announced that the department store will be closed, And after the mall has reopened, the number of customers who come to use the service in the mall has decreased. As a result, various shops alleviate the burden of the tenants, thus Zeer Property gave discounts on the rent for the shops.

3) Other Revenue

Other revenue consisted of rental, service and electricity, laundry, telephone, gain on exchange rate and other revenue collected from customers and miscellaneous things. The other revenue was decreased 6.0 million baht.

Cost of sale and service

Cost of sale and service consists of two main items according to the type of revenue from the operations are the cost of sale from hotel operations and cost from rentals and services

In Q3 of 2021 the company and its subsidiaries has the cost of sale and service for 137.16 million baht, decreased from the previous year by 46.93 million baht, or 25.5% lower. The company has gross profit margin in 2021 for 6.55% of revenue from the operations, while the previous year had the gross profit of 16.61%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 3rd quarter of 2021 the company and its subsidiaries had the cost of room sale of 42.16 million baht, decreased from the previous year 9.74 million baht or 18.8% lower, with the cost ratio for room sale in Q3 of 2021 and 2020 for 71.7% and 86.6%. The gross profit for Q3 of 2021 and 2020 equaled to 28.3% and 13.4% respectively.

Cost of food sale and beverages

In 3rd quarter of 2021 the company and its subsidiaries had the cost of food and beverage sale of 15.11 million baht, decreased from the previous year 16.52 million baht or 52.2% lower. They had the ratio of the cost of food and beverage sale for 2021 and 2020 equaled to 109.7% and 83.4% and the gross profit (loss) margin for 2021 and 2020 equaled to (9.7%) and 16.6% respectively.

b) Cost of rental and service

In 3rd quarter of 2021, the company and its subsidiaries had the cost of rent and service of 79.89 million baht (Cost of Rental and service from Domestic business equaled 77.61 million baht and Oversea business equaled 2.28 million baht), decreased from the previous year was 20.6%. The gross profit(loss) margin for 2021 and 2020 equaled to (7.6%) and 18.2% respectively.

Expenses on the sale, administration and others

In 3rd quarter 2021, the company and its subsidiaries had the expense on sale and service and other expenses totaled 21.99 million baht, decreased from the previous year by 11.7 million baht. It has details on the increase or decrease from the previous year on the expense of each type as follows:

- Distribution costs in 2021 amounted to 3.12 million baht, decreased from the previous year 4.6 million baht, or 60% lower.
- Administrative expenses in 2021 amounted to 18.45 million baht, decreased from the previous year 6.6 million baht, or 26% lower.
- Management benefit expenses in 2021 amounted to 0.42million baht, decreased from the previous year 0.5 million baht, or 54% lower.

Profit (loss) from Operating Activities

In Q3/2021 the company and its subsidiaries had the loss from operating activities equaled to 3.59 million baht, Q3/2020 had the profit from operating activities equaled to 17.77 million baht.

Financial cost

In Q3/2021 the company and its subsidiaries had the financial cost amounted to 30.56 million baht, while in Q3/2020 amounted to 32.26 million baht, which was decreased by 1.7 million baht.

Net Profit

In Q3/2021 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 36.74 million baht, loss increased from the previous year by 13.36 million baht and the basic loss per share in 2021 equaled to 0.11 baht while in Q3/2020 had the loss per share equaled to 0.07 baht.

This information is provided for notification to the SET and for disclosure to investors.

Best regards,

(Mrs. Pornpun Tanariyakul)
Deputy Managing Director