



28 February 2022

**SUBJECT** : Submit the audited financial statements and clarify the 2021 fiscal year end result

**ATTN** : The President  
Stock Exchange of Thailand

**Attachment** : The audited financial statements for the year ended 31 December 2021 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the audited financial statements for the year ended 31 December 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 year 2021 as follows:

#### **Analysis and explanations by the management**

Overview of business operations in the year 2021, the Thai economy, including the global economy, were affected by the Coronavirus 2019 (COVID 19) epidemic that occurred since the first quarter of 2020, resulting in a severe economic slowdown and many countries continue to have a growing number of infected and the restrict international travel, resulting in a slowdown in tourism impact. In the country, the impact of the epidemic control measures prevents some periods of training and seminars as ordered by the government. Consumption and consumption are also contracted. Both household purchasing power weakened in both income Employment and confidence.

The Thai government has measures to stimulate the economy such as project to travel together, to help the expenses and stimulate domestic tourism.

In mid-year 2021, The economy slowed down again due to a new outbreak (Delta covid-19) and the government has some lockdown measures, causing an impact on domestic tourism and tourists are concerned about this situation.

The tourism situation in the country in the fourth quarter of 2021 has clearly recovered from the relaxation of measures to control the epidemic of the 2019 coronavirus (Omicron) by the government to stimulate tourism, The We Travel Together project started in mid-October 2021, resulting in a recovery in domestic travel in the 4th quarter, despite the epidemic of Covid-19, the Omicron strain.

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 better.

Thailand has opened the country to accept foreign tourists through the Test & Go program, with only one day quarantine, starting November 1, 2021, for tourists who have been fully vaccinated. In which travelers entering the country must pass the regulations set by the government.

Due to the rapid epidemic situation of the Covid-19 virus, the Omicron strain that originated in the country causing risks, the government temporarily delayed accepting foreign tourists, and during January 2022, the Test & Go project was opened again.

The company continues to implement preventive measures covering all areas. To respond to the new lifestyle (New Normal), which such measures increase the confidence of the service users as well, and take measures to control costs and expenses to reduce the impact of unrecoverable income.

In the year 2021, the company and subsidiaries had total revenue of 599.84 million baht (in the year 2020 had total revenue of 810.54 million baht), a decrease of 210.69 million baht, or 25.99% from last year, consisting of revenue from hotel business a decrease of 152.94 million baht or 41.93% from last year and revenue from rental and service a decreased of 57.75 million baht or 12.95%. The total domestic revenue of the hotel business group decreased from the previous year due to the Coronavirus 2019 (COVID 19) epidemic. As for foreign hotel business revenue, it is not affected by the 2019 coronavirus epidemic.

In the part of Rental Area business operated by Zeer Property PCL which is its subsidiary, had total revenue of 388.07 million baht in the year 2021 consisting of the domestic rental revenue of 351.39 million baht, a decrease of 68.19 million baht from the previous year and the oversea rental revenue of 36.68 million baht, increased of 10.44 million baht from the previous year. The total revenue from the Rental Area business this year decreased from the previous year by 57.75 million baht or 13%.

The company has opened the apartment business "AA Town" at the end of 2014, 130 rooms and has opened a wholesale and retail shopping center as a building. The 3-storey shopping center in the middle of year 2015 "The Hub Shopping Center".

And at the end of 2016, the company had a joint venture with the former business owner. By establishing a new company "Spa Hotel Company Limited" to operate a hotel business "Darley Hotel" located at Tambon Chang Moi, Amphoe Mueang Chiang Mai, Chiang Mai Province, located near Waroros Market, opened for service in October 2018. On August 13, 2021, the company bought shares from the existing shareholders, causing the company to hold shares in Spa Hotel Company Limited, accounting for 100 percent of the company's registered capital. The service has been opened for 116 rooms in the project "Laan Sook Plaza" is currently open for service. store attention Because it is in the heart of the city, convenient to travel

In April 2018, the subsidiary, Zeer Asset Co., Ltd. entered into a purchase and sale of land and construction agreement. The property is located at Nongkwai Sub-district, Hang Dong District, Chiang Mai (Ratchapruek Lanna Boutique Hotel, formerly named: Prat Rajapruek Resort & Spa). The subsidiary has paid the transferred ownership of land and building on April 30, 2018, and Ratchapruek Lanna Boutique Hotel was opened for service 35 rooms in May 2018.

On November 1, 2018, a subsidiary, ZEER OVERSEA LLC, invested in the hotel business, accepting ownership transfer of land with buildings, Quality Inn Long Beach Airport located at 3201 E. Pacific High Way, Signal Hill, California from unrelated third parties. The said subsidiary company has purchased assets in the amount of USD 14.44 million (approximately 472.19 million baht) with 74 rooms.

The company and its subsidiaries had a total gross loss of 3.76 million baht, increased loss from the previous year by 112.12 million baht or 103.47% higher, and had net loss (the net worth of the parent company) amount to 209.09 million baht, increased from last year 88.39 million baht.

<b>Statements of Profit or Loss and other comprehensive income for the Year ended December 31, 2021</b>			
Unit : Millon Baht	<b>2021</b>	<b>2020</b>	<b>Change</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
<b>Revenue</b>			
Income from hotel business	211.78	364.72	(152.94)
Rental and service income	388.07	445.82	(57.75)
<b>Total Revenue</b>	<b>599.85</b>	<b>810.54</b>	<b>(210.69)</b>
<b>Cost of Sales and Service</b>			
Cost of hotel business	247.13	308.32	(61.19)
Cost of rental and service	356.48	393.86	(37.38)
<b>Total cost of sales and service</b>	<b>603.61</b>	<b>702.18</b>	<b>(98.57)</b>
<b>Gross Profit</b>	<b>(3.76)</b>	<b>108.36</b>	<b>(112.12)</b>
Other Income	48.37	82.59	(34.22)
<b>Profit before expenses</b>	<b>44.61</b>	<b>190.95</b>	<b>(146.34)</b>
Distribution costs	20.62	36.90	(16.28)
Administrative expenses	98.77	132.48	(33.71)
Management benefit expenses	3.32	5.80	(2.48)
Director ' remuneration	-	0.69	(0.69)
<b>Profit (loss) from operating activities</b>	<b>(78.10)</b>	<b>15.08</b>	<b>(93.18)</b>
Financial cost	120.37	124.32	(3.95)
<b>Impairment loss determined in accordance with TFRS9</b>	<b>5.40</b>	<b>13.45</b>	<b>(8.05)</b>
<b>Profit (loss) before income tax</b>	<b>(203.87)</b>	<b>(122.69)</b>	<b>(81.18)</b>
Income tax (expense) revenue	(6.75)	0.39	(7.14)
<b>Net profit (loss) for the period</b>	<b>(210.62)</b>	<b>(122.30)</b>	<b>(88.32)</b>

### **The Operating Results and Profitability**

In an analysis of the operation results for the 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:

## Revenue from the hotel business

The company and its subsidiaries had revenue from the total hotel business for 2021 in the amount of 211.78 million baht, a decrease from the previous year by 152.94 million baht, down by 41.93%. The revenue from the hotel business consisted of income from rooms and serviced apartments and income from food and beverages, which was the cause of increase or decrease of the revenue of each type as follows:

Details on Revenue from Hotel Business						
Unit Million Baht	Room		Food & Beverage		Total Hotel Business	
	2021	2020	2021	2020	2021	2020
<b>Revenue</b>						
<b>Revenue from hotel business</b>	<b>161.17</b>	<b>240.03</b>	<b>50.61</b>	<b>124.69</b>	<b>211.78</b>	<b>364.72</b>
<b>Proportion of Room : F&amp;B</b>	<b>76.1%</b>	<b>65.8%</b>	<b>23.9%</b>	<b>34.2%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Cost of Sale</b>	<b>176.43</b>	<b>193.24</b>	<b>70.70</b>	<b>115.08</b>	<b>247.13</b>	<b>308.32</b>
<b>Cost Ratio(Cost of Sale / Revenue)</b>	<b>109.5%</b>	<b>80.5%</b>	<b>139.7%</b>	<b>92.3%</b>	<b>116.7%</b>	<b>84.5%</b>
<b>Gross Profit</b>	<b>(15.26)</b>	<b>46.79</b>	<b>(20.09)</b>	<b>9.61</b>	<b>(35.35)</b>	<b>56.40</b>
<b>GP Margin(Gross profit / Revenue)</b>	<b>-9.5%</b>	<b>19.5%</b>	<b>-39.7%</b>	<b>7.7%</b>	<b>-16.7%</b>	<b>15.5%</b>

### a) 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 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 year 2021 totaled 161.17 million baht, decreased from the previous year by 78.86 million baht, or 32.9% lower. It was resulted from the Coronavirus 2019 (COVID 19) epidemic.

In addition to the hotel room revenue as mentioned above, Asia Airport Hotel Co., Ltd., a subsidiary, still has revenue from serviced apartments, which is a long-term rental of rooms with similar services. Like the hotel, this portion of revenue is not much compared to hotel room revenue. In 2021, revenue from serviced apartments was 2.58 million baht, representing approximately 11.23% of room revenue of Asia Airport Hotel at Rangsit.

## b) Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in 2021 amounted to 50.61 million baht, in 2020 amounted to 124.69 million baht, decreased from the previous year by 74.08 million baht or 59.4%. They had the ratio of the room to income from food and beverage in 2021 was 76.1 : 23.9 while the ratio of the room to income from food and beverage in 2020 was 65.8 : 34.2

Food and beverage revenues consist of hotel restaurant income and banquet income. The relationship between room income and restaurant income is not correlated because the customer group has modified their online booking behavior. Most customers will book the room only.

## Income from rent and services

Zeer Property and its subsidiaries have rental and services income from leasing space income such as Zeer Rangsit Shopping Center, The Hub Shopping Mall, AA-Town Apartment, Asia Airport Hotel, Rungsit and Asia Cha-um Hotel. 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 operated “Glendale Plaza” in California, USA.

<b>Details on Revenue from Rental and service Business</b>						
<b>Unit Million Baht</b>	<b>Domestic</b>		<b>Overseas</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>						
<b>Revenue from rental and service business</b>	<b>351.39</b>	<b>419.58</b>	<b>36.68</b>	<b>26.24</b>	<b>388.07</b>	<b>445.82</b>
<b>Cost of Sale</b>	<b>347.49</b>	<b>384.07</b>	<b>8.99</b>	<b>9.79</b>	<b>356.48</b>	<b>393.86</b>
<b>Cost Ratio(Cost of Sale / Revenue)</b>	<b>98.9%</b>	<b>91.5%</b>	<b>24.5%</b>	<b>37.3%</b>	<b>91.9%</b>	<b>88.3%</b>
<b>Gross Profit</b>	<b>3.90</b>	<b>35.51</b>	<b>27.69</b>	<b>16.45</b>	<b>31.59</b>	<b>51.96</b>
<b>GP Margin(Gross profit / Revenue)</b>	<b>1.1%</b>	<b>8.5%</b>	<b>75.5%</b>	<b>62.7%</b>	<b>8.1%</b>	<b>11.7%</b>

The leasing business of the company has revenue decline in 2021. The company and its subsidiaries had income from rent and service amounted to 388.07 million baht, revenue in 2020 amounted to 445.82 million baht, decreased from the previous year by 57.75 million baht, or 13% lower.

## 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.

### **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 2021 the company and its subsidiaries has the cost of sale and service for 603.61 million baht, decreased from the previous year by 98.57 million baht, or 14.04% lower, The company has gross loss margin higher in 2021 for 0.63% of revenue from the operations, while the previous year had the gross profit of 13.37%. The cost of sale and service can be classified as following:

#### **a) Cost of room sale**

In 2021 the company and its subsidiaries had the cost of room sale of 176.43 million baht, decreased from the previous year by 16.81 million baht, or 8.7% lower, with the cost ratio for room sale in 2021 and 2020 for 109.5% and 80.5%. The gross loss margin for 2021 and 2020 equaled to -9.5% and 19.5% respectively.

### **Cost of food sale and beverages**

In 2021 the company and its subsidiaries had the cost of food and beverage sale of 70.7 million baht, or decreased by 44.38 million baht, or 38.6% from the previous year. They had the ratio of the cost of food and beverage sale for 2021 and 2020 equaled to 139.7% and 92.3% and the gross loss margin for 2021 and 2020 equaled to -39.7% and 7.7% respectively.

#### **b) Cost of rental and service**

In 2021, the company and its subsidiaries had the cost of rent and service of 356.48 million baht, in 2020 amounted to 393.86 million baht, decreased by 37.38 million baht or 9.49% lower from the previous year resulting cost ratio for 2021 and 2020 equaled to 91.9% and 88.3% respectively. The gross profit margin for 2021 and 20120 equaled to 8.1% and 11.7% respectively.

### **Expenses on the sale, administration and others**

In 2021, the company and its subsidiaries had the expense on sale and service and other expenses totaled 122.71 million baht, decreased from the previous year by 53.16 million baht. It has details on the expense of each type as follows:

- Distribution cost in 2021 amounted to 20.62 million baht, decreased from the previous year by 16.28 million baht, or 44.12% lower.
- Administrative Expense in 2021 amounted to 98.77 million baht, decreased by 33.71 million baht, or 25.45% lower.
- Management benefit expense in 2021 amounted to 3.32 million baht, decreased from the previous year by 2.48 million baht, or 42.76% lower.
- Directors' Remuneration in 2021 amounted to 0.00 million baht, decreased from the previous year by 0.69 million baht, or 100% lower.

### **Profit (Loss) before the financial cost and the income tax**

In 2021 the company and its subsidiaries had the loss from operating activities amounted to 78.10 million baht, while had profit from operating activities in 2020 amounted to 15.08 million baht, decreased from the previous year by 93.18 million baht.

### **Financial cost**

In 2021 the company and its subsidiaries had the financial cost amounted to 120.37 million baht, decreased from the previous year by 3.95 million baht.

### **Net Profit and Tax Expense**

In 2021 the company and its subsidiaries had a loss before income tax totaled 203.87 million baht, increased loss from the previous year of 81.18 million baht and the company and its subsidiaries has expense tax revenue totaled 0.39 million baht. The company and its subsidiaries had a net loss (net worth of the parent company) totaled 209.09 million baht while in 2020 has net loss totaled 120.7 million baht and the basic loss per share in 2021 equaled to 0.65 baht while in 2020 had the loss per share equaled to 0.38 baht.

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

Best regards,

(Mr. Surapong Techaruvichit)  
Managing Director