



16 November 2020

**SUBJECT** : Submit the reviewed financial statements and clarify the result of third quarter ended 30 September 2020

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

**Attachment** : The reviewed financial statements for the third quarter ended 30 September 2020 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the third quarter period ended 30 September 2019 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 2019 as follows:

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

#### **Overall picture of the business operations**

Overview of business operations in the third quarter of 2020, the Thai economy, including the global economy, were affected by the Coronavirus 2019 (COVID 19) epidemic that occurred since late 2019, resulting in a slowdown in the economy and many countries continue to have a growing number of infected and restrict international travel. Even though the lock-down measures have been announced at present, the economy has recovered more than ever, but the tourism sector in Thailand is still under pressure from restricting tourists to the country. However, the government has issued economic stimulus measures to help tourism in the country. And also the measures to stimulus domestic spending in order to increase purchasing power from the previous quarter.

According to the Government order that the department store closed temporarily from March 22, 2020, in order to control the spread of the Coronavirus 2019 (COVID 19), Zeer Property Plc Co. Ltd., the subsidiary company, fully cooperates with the government, and resumed the shopping center on May 17, 2020, with the increasing number of users continuously.

In the hotel business, the company has resumed its hotel service from July 1, 2020, after the temporary closure on April 1, 2020. The company has received a positive response, the number of guests is promising.

#### **Hotel Business In Thailand (The Asia Pattaya Hotel, Cholburi)**

Thailand still restricts the travel of foreign tourists, causing the tourism business to be severely affected. Asia Pattaya Hotel serves as an State Quarantine, which increases occupancy.

### **Hotel Business in U.S.A. (Quality Inn Long Beach Signal Hill)**

In March 2020, in an effort to contain the impact of COVID-19, provincial governments decided to temporarily shut down the Group's hotel. This event will significantly affect the hotel business of the subsidiary, ZEER OVERSEA LLC. in 2020, resulting in a very low occupancy rate since mid-April 2020, the hotel has been contacted by the government of the County of Los Angeles to request to rent 50 rooms of the hotel, or about 70 percent of all rooms. In order to be a place to stay for the elderly that the government provides, which when combined with the usual guests of the hotel causing the hotel occupancy rate to be similar to normal hotel conditions.

The company still takes protective measures covering all areas. In response to a new way of life (New Normal), which measures increase the confidence for the users to use the service as well and implement cost and expense control measures to reduce the impact of unrecovered income.

In the third quarter, the company and subsidiaries had total revenue of 220.76 million baht, a decrease of 117.32 million baht, or 34.7%, the company and its subsidiaries had generated 97.88 million baht revenue from the hotel business (the room revenue of Q3/2019 = 193.95 million baht), consist of domestic hotel business had revenue of 41.69 million baht, a decrease of 65.81 million baht from the previous year and oversea hotel business had revenue of 18.24 million baht, an increased from the previous year by 1.32 million baht due to the oversea hotel business (Quality Inn Long Beach Airport).

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 122.88 million baht, consist of domestic rental revenue of 115.49 million baht and oversea rental revenue of 7.39 million baht. The revenue from the Rental Area business in this quarter decreased from the previous year by 21.25 million baht or 14.7%.

In Q3/2020 the company and subsidiaries had gross profit of 28.76 million baht (For Q3/2019 had gross profit of 73.88 million baht) and net loss (Equity holders of the parent) amounted of 23.38 million baht, increased loss of 5.4 million baht from the previous year.

**Statements of Profit or Loss and other comprehensive income for the three -month periods ended September 30, 2020**

Unit : Millon Baht	Q 3/2020	Q 3/2019	Change
			Amount
<b>Revenue</b>			
Income from hotel business	97.88	193.95	(96.07)
Rental and service income	122.88	144.13	(21.25)
<b>Total Revenue</b>	<b>220.76</b>	<b>338.08</b>	<b>(117.32)</b>
Cost of hotel business	91.44	141.63	(50.19)
Cost of rental and service	100.56	122.57	(22.01)
<b>Total cost of sales and service</b>	<b>192.00</b>	<b>264.20</b>	<b>(72.20)</b>
Gross Profit	28.76	73.88	(45.12)
Other Income	14.79	21.02	(6.23)
<b>Profit before expenses</b>	<b>43.55</b>	<b>94.90</b>	<b>(51.35)</b>
Selling expenses	8.53	19.92	(11.39)
Administrative expenses	16.34	59.01	(42.67)
Management benefit expenses	0.91	4.00	(3.09)
Director ' remuneration	-	1.02	(1.02)
Reversal of provision for doubtful debt	2.58	0.68	1.90
<b>Profit before interest and tax</b>	<b>15.19</b>	<b>10.27</b>	<b>4.92</b>
Financial cost	32.26	30.39	1.87
<b>profit (loss) before income tax</b>	<b>(17.07)</b>	<b>(20.12)</b>	<b>3.05</b>
Income tax (expense) revenue	6.34	(2.02)	8.36
<b>Net profit (loss) for the period</b>	<b>(23.41)</b>	<b>(18.10)</b>	<b>(5.31)</b>

In an analysis of the operation results for the third quarter of year 2020 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:

<b>Details on Revenue from Hotel Business</b>						
Unit Millon Baht	<b>Room</b>		<b>Food &amp; Beverage</b>		<b>Total Hotel Business</b>	
	<b>Q 3 / 2020</b>	<b>Q 3 / 2019</b>	<b>Q 3 / 2020</b>	<b>Q 3 / 2019</b>	<b>Q 3 / 2020</b>	<b>Q 3 / 2019</b>
<b>Revenue</b>						
<b>Revenue from hotel business</b>	<b>59.93</b>	<b>124.42</b>	<b>37.95</b>	<b>69.53</b>	<b>97.88</b>	<b>193.95</b>
<b>Proportion of Room : F&amp;B</b>	<b>61.2%</b>	<b>64.2%</b>	<b>38.8%</b>	<b>35.8%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Cost of Sale</b>	<b>59.81</b>	<b>84.18</b>	<b>31.63</b>	<b>57.45</b>	<b>91.44</b>	<b>141.63</b>
<b>Cost Ratio (Cost of Sale / Revenue)</b>	<b>99.8%</b>	<b>67.7%</b>	<b>83.3%</b>	<b>82.6%</b>	<b>93.4%</b>	<b>73.0%</b>
<b>Gross Profit</b>	<b>0.12</b>	<b>40.24</b>	<b>6.32</b>	<b>12.08</b>	<b>6.44</b>	<b>52.32</b>
<b>GP Margin(Gross profit / Revenue)</b>	<b>0.2%</b>	<b>32.3%</b>	<b>16.7%</b>	<b>17.4%</b>	<b>6.6%</b>	<b>27.0%</b>

### 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 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 2020 totaled 97.88 million baht, decreased from the same quarter of previous year by 96.07 million baht or 49.5% lower.

Revenue from rooms in Q3/2020 totaled 59.93 million baht ( Domestic room revenue was 41.69 million baht and oversea room revenue was 18.24 million baht, decreased from Q3/2019 that revenue amount 124.42 million baht, by 64.49 million baht or 51.8% lower. The average rate of occupancy of the seven hotels in Q3/2020 equaled to 32.88% while the third quarter of previous year had the average rate of occupancy equaled to 59.96%.

However, the average room rate of the seven hotels in Q3/2020 equaled to 1,171.25 baht while the third quarter of previous year had the average room rate equaled to 1,401.95 baht.

### Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q3/2020 amounted to 37.95 million baht, in Q3/2019 amounted to 69.53 million baht, this year was decreased from the previous year by 31.58 million baht.

### 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, Rungsit 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” 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. Zeer Overseas LLC has invested in “Quality Inn Long Beach Airport” in U.S.A.

<b>Details on Revenue from Rental and service Business</b>						
Unit : Million Baht	Domestic		Overseas		Total	
	Q 3 / 2020	Q 3 / 2019	Q 3 / 2020	Q 3 / 2019	Q 3 / 2020	Q 3 / 2019
<b>Revenue</b>						
Revenue from rental and service business	115.49	137.91	7.39	6.22	122.88	144.13
<b>Cost of Sale</b>	98.87	121.15	1.69	1.42	100.56	122.57
<b>Cost Ratio (Cost of Sale / Revenue)</b>	85.6%	87.8%	22.9%	22.8%	81.8%	85.0%
<b>Gross Profit</b>	16.62	16.76	5.70	4.80	22.32	21.56
<b>GP Margin(Gross profit / Revenue)</b>	14.4%	12.2%	77.1%	77.2%	18.2%	15.0%

Rental and service income in the third quarter of 2020 was 122.83 million baht (Domestic Rental Revenue 115.49 million baht and Overseas Rental Revenue 7.39 million baht), a decrease of Baht 21.25 million baht from the same quarter of last year due to the situation of the coronavirus outbreak (COVID-19) that the government announced the closure of the department store and after the mall has returned to open, the number of customers who use the services within the department has decreased, resulting in various stores in order to relieve the burden of tenants, thus giving discounts to 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 had decreased by 6.23 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 2020 the company and its subsidiaries have the cost of sale and service for 192 million baht, decreased from the previous year by 72.20 million baht, or 27.33% lower. The company has a gross profit margin decline in 2020 equal 21.85% of revenue from the operations. The cost of sale and service can be classified as follows:

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

In 3<sup>rd</sup> quarter of 2020 the company and its subsidiaries had the cost of room sale of 59.81 million baht, decreased from the previous year by 24.37 million baht, or 28.9% lower, with the cost ratio for room sale in Q3 of 2020 and 2019 for 99.8% and 67.7%. The gross profit margin for Q3 of 2020 and 2019 equaled to 0.2% and 32.3% respectively.

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

In 3<sup>rd</sup> quarter of 2020 the company and its subsidiaries had the cost of food and beverage sale of 31.63 million baht, or decreased by 25.82 million baht, or 44.9% was decreased from the previous year. They had the ratio of the cost of food and beverage sale for 2020 and 2019 equaled to 83.3% and 82.6% and the gross profit margin for 2020 and 2019 equaled to 16.7% and 17.4% respectively.

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

In 3<sup>rd</sup> quarter of 2019, the company and its subsidiaries had the cost of rent and service of 122.57 million baht (Cost of Rental and service from Domestic business equaled 121.15 million baht and Oversea business equaled 1.42 million baht), or 4.7% lower from the previous year. The gross profit margin for 2019 and 2018 equaled to 15.0% and 12.9% respectively.

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

In 3<sup>rd</sup> quarter 2020, the company and its subsidiaries had the expense on sale and service and other expenses totaled 100.56 million baht, (Cost of Rental and service from Domestic business equaled 98.87 million baht and Oversea business equaled 1.69 million baht) decreased by 18% from the previous year. The gross profit (loss) margin for 2020 and 2019 equaled to 18.2% and 15% respectively. It has details on the increase or decrease from the previous year on the expense of each type as follows:

- Expense on sale in 2020 amounted to 8.53 million baht, decreased from the previous year by 11.39 million baht, or 57.18% lower.
- Expense on administration cost in 2020 amounted to 16.34 million baht, decreased by 42.67 million baht, or 72.31% lower.
- Compensation for the management in 2020 amounted to 0.91 million baht, decreased from the previous year by 3.09 million baht, or 77.25% lower.
- Compensation for the directors in 2020 amounted to 1.02 million baht, decreased from the previous year 100% lower.
- In 2020 The Company had the doubtful debts of 2.58 million baht while in the previous year had the doubtful debts of 0.68 million baht, increased by 1.9 million baht.

#### **Profit before the financial cost and the income tax**

In Q3/2020 the company and its subsidiaries had the loss before interest and taxes (EBIT) 15.19 million baht, the same quarter of the previous year had profit was 10.27 million baht.

### **Financial cost**

In Q3/2020 the company and its subsidiaries had the financial cost amounted to 32.26 million baht, while in Q3/2019 amounted to 30.39 million baht, which was increased by 1.87 million baht.

### **Net Profit**

In 2020 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 23.38 million baht, increased loss from the previous year by 5.4 million baht and the basic loss per share in 2020 equaled to 0.07 baht while in Q3/2019 had the loss per share equaled to 0.06 baht.

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

Best regards,

(Mr. Pornpun Tanariyakul)  
Deputy Managing Director