



16 August 2021

SUBJECT : Submit the reviewed financial statements and clarify the result of second quarter ended 30 June 2021

ATTN : The President
Stock Exchange of Thailand

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

Attached please find the reviewed financial statements for the second quarter period ended 30 June 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 second 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.

In the second 2021, the company and subsidiaries had total revenue of 143.66 million baht, increase of 47.48 million baht, or 49.37%, the company and its subsidiaries had generated 34.68 million baht revenue from the hotel business (the room revenue of Q2/2020 = 23.39 million baht), consist of domestic hotel business had revenue of 15.84 million baht and oversea hotel business had revenue of 18.84 million baht, increased from the previous year by 11.29 million baht.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 108.98 million baht, consist of domestic rental revenue of 97.65 million baht and oversea rental revenue of

11.33 million baht. The revenue from the Rental Area business in this quarter increased from the previous year by 36.19 million baht or 49.7%.

In Q2/2021 the company and subsidiaries had a gross loss of 6.89 million baht (For Q2/2020 had a gross loss of 11.21 million baht) and net loss (Equity holders of the parent) amounted of 58.85 million baht, loss increased of 0.26 million baht from the previous year.

Statements of Profit or Loss and other comprehensive income for the three -month periods ended June 30, 2021			
Unit : Millon Baht	Q2/2021	Q2/2020	Change
	Amount	Amount	Amount
Revenues			
Income from hotel business	34.68	23.39	11.29
Rental and service income	108.98	72.79	36.19
Total Revenue	143.66	96.18	47.48
Cost of hotel business	56.69	25.67	31.02
Cost of rental and service	93.86	81.72	12.14
Total cost of sales and service	150.55	107.39	43.16
Gross Profit (Loss)	(6.89)	(11.21)	4.32
Other Income	13.54	8.34	5.20
Profit before expenses	6.65	(2.87)	9.52
Distribution costs	5.78	1.98	3.80
Administrative expenses	23.63	34.79	(11.16)
Management benefit expenses	0.97	0.29	0.68
Profit (loss) from operation activities	(23.73)	(39.93)	16.20
Financial cost	31.09	29.13	1.96
Impairment loss determined in accordance with TFRS9		0.01	(0.01)
Loss before income tax	(54.82)	(69.07)	14.25
Income tax (expense) revenue	(4.07)	9.30	(13.37)
Net profit (loss) for the period	(58.89)	(59.77)	0.88

In an analysis of the operation results for the second 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: Millon Baht	Room		Food & Beverage		Total Hotel Business	
	Q2 /2021	Q2 /2020	Q2 /2021	Q2 /2020	Q2 /2021	Q2 /2020
Revenue						
Revenue from hotel business	27.74	18.72	6.94	4.67	34.68	23.39
Proportion of Room : F&B	80.0%	80.0%	20.0%	20.0%	100.0%	100.0%
Cost of Sale	40.79	17.54	15.90	8.13	56.69	25.67
Cost Ratio(Cost of Sale / Revenue)	147.0%	93.7%	229.1%	174.1%	163.5%	109.7%
Gross Profit	(13.05)	1.18	(8.96)	3.46	(22.01)	2.28
GP Margin(Gross profit / Revenue)	-47.0%	6.3%	-129.1%	-74.1%	-63.5%	-9.7%

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) Ratchapruerk 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 second quarter of year 2021 totaled 34.68 million baht, increased from the same quarter of previous year by 11.29 million baht or 48.3% higher.

Revenue from rooms in Q2/2021 totaled 27.74 million baht (Domestic room revenue was 8.90 million baht and oversea room revenue was 18.84 million baht), increased from Q2/2020 that revenue amount 18.72 million baht, by 9.02 million baht or 48.2% higher.

Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q2/2021 amounted to 6.94 million baht, for Q2/2020 was amounted to 4.67 million baht, increased from the previous year by 2.27 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 "Rachapruerk 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	
	Q2 /2021	Q2 /2020	Q2 /2021	Q2 /2020	Q2 /2021	Q2 /2020
Revenue						
Revenue from rental and Service business	97.65	66.71	11.33	6.08	108.98	72.79
Cost of Sale	91.50	78.82	2.36	2.90	93.86	81.72
Cost Ratio (Cost of Sale/Revenue)	93.7%	118.2%	20.8%	47.7%	86.1%	112.3%
Gross Profit	6.15	- 12.11	8.97	3.18	15.12	- 8.93
GP Margin(Gross profit / Revenue)	6.3%	-18.2%	79.2%	52.3%	13.9%	-12.3%

Rental and service income in the second quarter of 2021 was 108.98 million baht (Domestic Rental Revenue 97.65 million baht and Overseas Rental Revenue 11.33 million baht), an increase of Baht 36.19 million baht from the same quarter of last year.

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 increased 5.20 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 Q2 of 2021 the company and its subsidiaries has the cost of sale and service for 150.55 million baht, increased from the previous year by 43.16 million baht, or 40.2% higher. The company has gross loss margin in 2021 for 4.8% of revenue from the operations, while the previous year had the gross loss of 11.66%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 2nd quarter of 2021 the company and its subsidiaries had the cost of room sale of 40.79 million baht, with the cost ratio for room sale in Q2 of 2021 and 2020 for 147% and 93.7%. The gross (loss) for Q2 of 2021 and 2020 equaled to -47% and 6.3% respectively.

Cost of food sale and beverages

In 2nd quarter of 2021 the company and its subsidiaries had the cost of food and beverage sale of 15.90 million baht. They had the ratio of the cost of food and beverage sale for 2021 and 2020 equaled to 229.1% and 174.1% and the gross loss margin for 2021 and 2020 equaled to -129.1% and -74.1% respectively.

b) Cost of rental and service

In 2nd quarter of 2021, the company and its subsidiaries had the cost of rent and service of 93.86 million baht (Cost of Rental and service from Domestic business equaled 91.50 million baht and Oversea

business equaled 2.36 million baht). The gross profit(loss) margin for 2021 and 2020 equaled to 13.9% and -12.3% respectively.

Expenses on the sale, administration and others

In 2nd quarter 2021, the company and its subsidiaries had the expense on sale and service and other expenses totaled 30.38 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 5.78 million baht.
- Administrative expenses in 2021 amounted to 23.63 million baht.
- Management benefit expenses in 2021 amounted to 0.97million baht.

Profit (loss) from Operating Activities

In Q2/2021 the company and its subsidiaries had the loss from operating activities equaled to 23.73 million baht, Q2/2020 equaled to 39.93 million baht.

Financial cost

In Q2/2021 the company and its subsidiaries had the financial cost amounted to 31.09 million baht, while in Q2/2020 amounted to 29.13 million baht, which was increased by 1.96 million baht.

Net Profit

In Q1/2021 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 58.85 million baht, loss increased from the previous year by 0.26 million baht and the basic loss per share in 2021 equaled to 0.18 baht while in Q2/2020 had the loss per share equaled to 0.18 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)
Deputy Managing Director