



ASIA HOTEL BANGKOK

13 August 2020

SUBJECT : Submit the reviewed financial statements and clarify the result of first quarter ended 31 March 2019

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the first quarter ended 31 March 2020 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the first quarter period ended 31 March 2020 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 first quarter period of the year 2020 as follows:

Analysis and explanations by the management

Overall picture of the business operations

From the beginning of the coronavirus epidemic at the beginning of 2020, the outbreak has escalated, the government has a final block down the city from traveling including other countries. International travel restrictions caused a decrease in both Thai and foreign tourists that affecting tourism in Thailand greatly and also affect the operation of the catering business seminar in the country to prevent the outbreak at that time.

In the first quarter, the company and subsidiaries had total revenue of 286.03 million baht, decrease of 77.53 million baht, or 21.33%, the company and its subsidiaries had generated 151.59 million baht revenue from the hotel business (the room revenue of Q1/2019 = 213.15 million baht), consist of domestic hotel business had revenue of 139.13 million baht and oversea hotel business had revenue of 12.46 million, decreased from the previous year by 61.56 million baht or 28.9%.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 134.44 million baht, consist of domestic rental revenue of 127.74 million baht and oversea rental revenue of 6.7 million baht. The revenue from the Rental Area business in this quarter decreased from the previous year by 15.97 million baht or 10.6%.

In Q1/2020 the company and subsidiaries had gross profit of 58.34 million baht (For Q1/2019 had gross profit of 117.61 million baht) and net loss (Equity holders of the parent) amounted of 28.16 million baht, increased of 44.70 million baht from the previous year.

Statements of Profit or Loss and other comprehensive income for the three -month periods ended March 31,2020

Unit : Millon Baht	Q 1/2020	Q 1/2019	Change
			Amount
Revenue			
Income from hotel business	151.59	213.15	(61.56)
Rental and service income	134.44	150.41	(15.97)
Total Revenue	286.03	363.56	(77.53)
Cost of hotel business			
Cost of hotel business	114.21	124.12	(9.91)
Cost of rental and service	113.48	121.83	(8.35)
Total cost of sales and service	227.69	245.95	(18.26)
Gross Profit	58.34	117.61	(59.27)
Other Income	25.33	24.24	1.09
Profit before expenses	83.67	141.85	(58.18)
Selling expenses	18.82	18.80	0.02
Administrative expenses	52.67	65.31	(12.64)
Management benefit expenses	3.56	4.21	(0.65)
Director ' remuneration	0.69	0.99	(0.30)
Reversal of provision for doubtful debt	0.26	(0.73)	0.99
Profit befor interest and tax	7.67	53.27	(45.60)
Financial cost	32.83	31.28	1.55
profit (loss) before income tax	(25.16)	21.99	(47.15)
Income tax (expense) revenue	3.54	5.25	(1.71)
Net profit (loss) for the period	(28.70)	16.74	(45.44)

In an analysis of the operation results for the first 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:

Details on Revenue from Hotel Business						
Unit : Millon Baht	Room		Food & Beverage		Total Hotel Business	
	Q 1 / 2020	Q 1 / 2019	Q 1 / 2020	Q 1 / 2019	Q 1 / 2020	Q 1 / 2019
Revenue						
Revenue from hotel business	104.92	144.99	46.67	68.16	151.59	213.15
Proportion of Room : F&B	69.2%	68.0%	30.8%	32.0%	100.0%	100.0%
Cost of Sale	68.22	68.76	45.99	55.36	114.21	124.12
Cost Ratio (Cost of Sale / Revenue)	65.0%	47.4%	98.5%	81.2%	75.3%	58.2%
Gross Profit	36.70	76.23	0.68	12.80	37.38	89.03
GP Margin(Gross profit / Revenue)	35.0%	52.6%	1.5%	18.8%	24.7%	41.8%

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 first quarter of year 2020 totaled 151.59 million baht, decreased from the same quarter of previous year by 61.56 million baht or 28.9% lower.

Revenue from rooms in Q1/2020 totaled 104.92 million baht (Domestic room revenue was 92.46 million baht and oversea room revenue was 12.46 million baht), decreased from Q1/2019 that revenue amount 144.92 million baht, by 40.07 million baht or 27.6% lower.

Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q1/2020 amounted to 46.67 million baht, decreased from the previous year by 21.49 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, 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” 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 1 / 2020	Q 1 / 2019	Q 1 / 2020	Q 1 / 2019	Q 1 / 2020	Q 1 / 2019
Revenue						
Revenue from rental and service business	127.74	140.50	6.70	9.91	134.44	150.41
Cost of Sale	112.28	120.32	1.20	1.51	113.48	121.83
Cost Ratio(Cost of Sale / Revenue)	87.9%	85.6%	17.9%	15.2%	84.4%	81.0%
Gross Profit	15.46	20.18	5.50	8.40	20.96	28.58
GP Margin(Gross profit / Revenue)	12.1%	14.4%	82.1%	84.8%	15.6%	19.0%

Rental and service income in the first quarter of 2020 was 134.44 million baht (Domestic Rental Revenue 127.74 million baht and Overseas Rental Revenue 6.70 million baht) , a decrease of Baht 15.97 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.

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 Q1 of 2020 the company and its subsidiaries has the cost of sale and service for 227.69 million baht, decreased from the previous year by 18.26 million baht, or 7.42% lower. The company has gross profit margin in 2020 for 20.4% of revenue from the operations, while the previous year had the gross profit of 32.3%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 1st quarter of 2020 the company and its subsidiaries had the cost of room sale of 68.22 million baht, decreased from the previous year by 0.54 million baht, or 0.8% lower, with the cost ratio for room sale in Q1 of 2020 and 2019 for 65% and 47.4%. The gross profit margin for Q1 of 2020 and 2019 equaled to 35% and 52.6% respectively.

Cost of food sale and beverages

In 1st quarter of 2020 the company and its subsidiaries had the cost of food and beverage sale of 45.99 million baht, or decreased by 9.37 million baht, or 16.9% from the previous year. They had the ratio of the cost of food and beverage sale for 2020 and 2019 equaled to 98.5% and 81.2% and the gross profit margin for 2020 and 2019 equaled to 1.5% and 18.8% respectively.

b) Cost of rental and service

In 1st quarter of 2020, the company and its subsidiaries had the cost of rent and service of 113.48 million baht (Cost of Rental and service from Domestic business equaled 112.28 million baht and Oversea business equaled 1.2 million baht), decreased by 8.35 million baht from the previous year. The gross profit margin for 2020 and 2019 equaled to 15.6% and 19% respectively.

Expenses on the sale, administration and others

In 1st quarter 2020, the company and its subsidiaries had the expense on sale and service and other expenses totaled 76 million baht, decreased from the previous year by 12.58 million baht. 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 18.82 million baht, increased from the previous year by 0.02 million baht, or 0.11% higher.
- Expense on administration cost in 2020 amounted to 52.67 million baht, decreased by 12.64 million baht, or 19.35% lower.
- Compensation for the management in 2020 amounted to 3.56 million baht, decreased from the previous year by 0.65 million baht, or 15.44% lower.
- Compensation for the directors in 2020 amounted to 0.69 million baht, decreased from the previous year by 0.30 million baht, or 30.3% lower.
- In 2020 The Company had the doubtful debts of 0.26 million baht while in the previous year had the reversal of provision for doubtful debts of 0.73 million baht, increased by 0.99 million baht.

Profit before the financial cost and the income tax

In Q1/2020 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 7.67 million baht, decreased from the same quarter of previous year by 45.60 million baht, or 85.6% lower.

Financial cost

In Q1/2020 the company and its subsidiaries had the financial cost amounted to 32.83 million baht, while in Q1/2019 amounted to 31.28 million baht, which was increased by 1.55 million baht.

Net Profit

In Q1/2020 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 28.16 million baht, increased from the previous year by 44.7 million baht and the basic loss per share in 2020 equaled to 0.09 baht while in Q1/2019 had the earning per share equaled to 0.05 baht.

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

Best regards,

(Mr. Surapong Techaruvichit)

Managing Director