



ASIA HOTEL BANGKOK

13 August 2020

SUBJECT : Submit the reviewed financial statements and clarify the result of second quarter ended 30 June 2019

ATTN : The President
Stock Exchange of Thailand

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

Attached please find the reviewed financial statements for the second quarter period ended 30 June 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 second quarter period of the year 2020 as follows:

Analysis and explanations by the management

Overall of the business operations

In the first quarter of 2020, the global economy, including Thai economy, was affected by the Coronavirus outbreak (COVID -19) situation, causing the economy recession severely and effect all year. Thai economy has been under severe pressure. The tourism sector has contracted strongly as a result of travel restrictions to control the outbreak, which has led to a decreasing in the number of tourists, both Thai and foreign. The impact of public spending, the impact of private consumption and investment were declined as well. Moreover, the purchasing power of the household sector was weakened in terms of employment income and confidence.

We are now seeing a significant increase in COVID-19 patients in Thailand and many other parts across the world. Asia Hotel PCL and related companies are closings all of our hotels in Thailand from April 1, 2020 onward. This would support the Thai government's intensive quarantine policy. Despite the temporary closing of the hotel services, Asia Hotel Bangkok and Asia Airport Hotel continued to serve deliveries and pickups for surrounding customers.

On March 21, 2020, Pathumthani province announced the closure of many high-risk venues, which also include department stores and malls, from March 22- April 12, 2020. This timeframe was later extended to end on April 30, 2020. The company followed government order by closing Zeer Rangsit in such period. However, the order allows the openings of grocery stores, F&B outlets, and banks.

The Company has assisted the tenants in the shopping center that were affected. There is an exemption of rent to stores that cannot operate from the closure of the shopping center temporarily. It also offers a discount on

the rental fee to the stores in the shopping center that are still operating normally but are affected in order to help repair the stores in the Company's shopping centers.

Taking into account the social distancing measures strictly including a Drive through Pick Up system to increase convenience and safety for customers with comprehensive preventive measures.

The company has implemented various cost and operating expenses reduction plans to alleviate the impact on revenue and profitability by reducing business and administrative expenses such as utilities outsource some expenses as a result of the reduction in performance levels including general expenses and there are measures to reduce unnecessary expenses throughout the organization as well as negotiate with trading partners to make operations and conditions in order to control expenses tightly.

In the second quarter, the company and subsidiaries had total revenue of 96.18 million baht, decreased of 233.97 million baht, or 70.87%, the company and its subsidiaries had generated 23.39 million baht revenue from the hotel business (the room revenue of Q2/2019 = 185.15 million baht), consist of domestic hotel business had revenue of 7.84 million baht and oversea hotel business had revenue of 15.55 million baht, decreased from the previous year by 161.76 million baht.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 72.79 million baht, consist of domestic rental revenue of 66.71 million baht and oversea rental revenue of 6.08 million baht. The revenue from the Rental Area business in this quarter decreased from the previous year by 72.21 million baht or 49.8%.

In Q2/2020 the company and subsidiaries had gross loss of 7.75 million baht (For Q2/2019 had gross profit of 66.65 million baht) and net loss (Equity holders of the parent) amounted of 58.59 million baht, increased loss of 21.36 million baht from the previous year.

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

| Unit : Millon Baht | Q 2/2020 | Q 2/ 2019 | Change |
|---|----------------|----------------|-----------------|
| | | | Amount |
| Revenue | | | |
| Income from hotel business | 23.39 | 185.15 | (161.76) |
| Rental and service income | 72.79 | 145.00 | (72.21) |
| Total Revenue | 96.18 | 330.15 | (233.97) |
| Cost of hotel business | 22.22 | 139.02 | (116.80) |
| Cost of rental and service | 81.71 | 124.48 | (42.77) |
| Total cost of sales and service | 103.93 | 263.50 | (159.57) |
| Gross Profit | (7.75) | 66.65 | (74.40) |
| Other Income | 8.34 | 19.38 | (11.04) |
| Profit before expenses | 0.59 | 86.03 | (85.44) |
| Selling expenses | 1.73 | 19.61 | (17.88) |
| Administrative expenses | 38.50 | 69.01 | (30.51) |
| Management benefit expenses | 0.30 | 3.83 | (3.53) |
| Directors' remuneration | - | 1.13 | (1.13) |
| Reversal of provision for doubtful debt | 0.01 | 0.67 | (0.66) |
| Profit befor interest and tax | (39.95) | (8.22) | (31.73) |
| Financial cost | 29.12 | 31.15 | (2.03) |
| profit (loss) before income tax | (69.07) | (39.37) | (29.70) |
| Income tax (expense) revenue | (9.30) | (1.97) | (7.33) |
| Net profit (loss) for the period | (59.77) | (37.40) | (22.37) |
| | | | |

In an analysis of the operation results for the second 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 : Million Baht | Room | | Food & Beverage | | Total Hotel Business | |
| | Q 2 / 2020 | Q 2 / 2019 | Q 2 / 2020 | Q 2 / 2019 | Q 2 / 2020 | Q 2 / 2019 |
| Revenue | | | | | | |
| Revenue from hotel business | 18.74 | 123.81 | 4.65 | 61.34 | 23.39 | 185.15 |
| Proportion of Room : F&B | 80.1% | 66.9% | 19.9% | 33.1% | 100.0% | 100.0% |
| Cost of Sale | 14.10 | 80.66 | 8.12 | 58.36 | 22.22 | 139.02 |
| Cost Ratio(Cost of Sale / Revenue) | 75.2% | 65.1% | 174.6% | 95.1% | 95.0% | 75.1% |
| Gross Profit | 4.64 | 43.15 | -3.47 | 2.98 | 1.17 | 46.13 |
| GP Margin(Gross profit / Revenue) | 24.8% | 34.9% | -74.6% | 4.9% | 5.0% | 24.9% |

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 Signal Hill, California, U.S.A.. The company and its subsidiaries had revenue from rooms in the second quarter of year 2020 totaled 23.39 million baht, decreased from the same quarter of previous year by 161.76 million baht or 87.3% lower.

Revenue from rooms in Q2/2020 totaled 18.74 million baht (Domestic room revenue was 3.19 million baht and oversea room revenue was 15.55 million baht, decreased from Q2/2019 that revenue amount 123.81 million baht, by 105.07 million baht or 84.9% lower.

Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q2/2020 amounted to 4.65 million baht, in Q2/2019 amounted to 61.34 million baht, this year was decreased from the previous year by 56.69 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. In 2018, Zeer Overseas LLC has invested in “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 2 / 2020 | Q 2 / 2019 | Q 2 / 2020 | Q 2 / 2019 | Q 2 / 2020 | Q 2 / 2019 |
| Revenue | | | | | | |
| Revenue from rental and service business | 66.71 | 138.69 | 6.08 | 6.31 | 72.79 | 145.00 |
| Cost of Sale | 78.81 | 122.92 | 2.90 | 1.56 | 81.71 | 124.48 |
| Cost Ratio (Cost of Sale / Revenue) | 118.1% | 88.6% | 47.7% | 24.7% | 112.3% | 85.8% |
| Gross Profit | -12.1 | 15.77 | 3.18 | 4.75 | -8.92 | 20.52 |
| GP Margin (Gross profit / Revenue) | -18.1% | 11.4% | 52.3% | 75.3% | -12.3% | 14.2% |

Rental and service income in the second quarter of 2020 was 72.79 million baht (Domestic Rental Revenue amounted 66.71 million baht and Overseas Rental Revenue amounted 6.08 million baht), a decrease of Baht 72.21 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 decreased by 11.04 million baht.

Cost of sale and service

a) Cost of room sale

In 2nd quarter of 2020 the company and its subsidiaries had the cost of room sale of 14.10 million baht with the cost ratio for room sale in Q2 of 2020 and 2019 for 75.2% and 65.1%. The gross profit margin for Q2 of 2020 and 2019 equaled to 24.8% and 34.9% respectively.

Cost of food sale and beverages

In 2nd quarter of 2020 the company and its subsidiaries had the cost of food and beverage sale of 8.12 million baht. They had the ratio of the cost of food and beverage sale for 2020 and 2019 equaled to 174.6% and 95.16% and the gross profit (loss) margin for 2020 and 2019 equaled to -74.6% and 4.9% respectively.

b) Cost of rental and service

In 2nd quarter of 2020, the company and its subsidiaries had the cost of rent and service of 81.71 million baht (Cost of Rental and service from Domestic business equaled 78.81 million baht and Overseas business equaled 2.9 million baht). The gross profit (loss) margin for 2020 and 2019 equaled to -12.3% and 14.2% respectively.

Expenses on the sale, administration and others

In 2nd quarter 2020, the company and its subsidiaries had the expense on sale and service and other expenses totaled 40.54 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 1.73 million baht.
- Expense on administration cost in 2020 amounted to 38.5 million baht.
- Compensation for the management in 2020 amounted to 0.3 million baht.
- Directors' Remuneration in 2020 decreased in whole amount.
- In 2020 The Company had the doubtful debts of 0.01 million baht.

Profit before the financial cost and the income tax

In Q2/2020 the company and its subsidiaries had the loss before interest and taxes (EBIT) 39.95 million baht, the same quarter of the previous year had loss was 8.22 million baht.

Financial cost

In Q2/2020 the company and its subsidiaries had the financial cost amounted to 29.12 million baht, while in Q2/2019 amounted to 31.15 million baht, which was decreased by 2.03 million baht.

Net Profit

In 2020 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 58.59 million baht, increased loss from the previous year by 21.36 million baht and the basic loss per share in 2020 equaled to 0.18 baht while in Q2/2019 had the loss per share equaled to 0.11 baht.

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

Best regards,

(Mr Surapong Techaruvichit)
Managing Director