

27 February 2023

SUBJECT : Submit the audited financial statements and clarify the 2022 fiscal year end result

ATTN : The President
Stock Exchange of Thailand

Attachment : The audited financial statements for the year ended 31 December 2022 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the audited financial statements for the year ended 31 December 2022 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 2022 as follows:

Analysis and explanations by the management

There was a relief measures of international travelling from protective COVID-19 epidemic and together with Thailand Pass has been cancelled from July 1, 2022. This resulted in a significant increase in the number of foreign tourists in Q3/2022 and connectively affect in Q4/2022, ASIA group has a good performance in their business. The company has also adjusted its strategic plan to conform with the recent economic conditions.

In the year 2022, the company and subsidiaries had total revenue of 924.30 million baht (in the year 2021 had total revenue of 599.85 million baht), an increase of 324.45 million baht, or 54.09% from last year, consisting of revenue from hotel business an increase of 275.87 million baht or 130.26% from last year.

In the part of Rental Area business operated by Zeer Property PCL which is its subsidiary, had total revenue of 436.65 million baht in the year 2022 consisting of the domestic rental revenue of 402.95 million baht, an increase of 51.56 million baht from the previous year and the oversea rental revenue of 33.70 million baht, a decreased of 2.98 million baht from the previous year. The total revenue from the Rental Area business this year increased from the previous year by 48.58 million baht or 12.52%.

Statements of Profit or Loss and other comprehensive income for the Year ended December 31, 2022

Unit : Million Baht	2022	2021	Change
	Amount	Amount	Amount
Revenue			
Income from hotel business	487.65	211.78	275.87
Rental and service income	436.65	388.07	48.58
Total Revenue	924.30	599.85	324.45
Cost of Sales and Service			
Cost of hotel business	362.41	247.13	115.28
Cost of rental and service	385.56	356.48	29.08
Total cost of sales and service	747.97	603.61	144.36
Gross Profit	176.33	(3.76)	180.09
Other Income	45.18	48.37	(3.19)
Profit before expenses	221.51	44.61	176.90
Distribution costs	43.25	20.62	22.63
Administrative expenses	136.99	98.77	38.22
Management benefit expenses	6.39	3.32	3.07
Directors' remuneration	0.28	-	0.28
Profit (loss) from operating activities	34.60	(78.10)	112.70
Financial cost	149.89	120.37	29.52
Reversal of Impairment loss determined in accordance with TFRS9	(0.87)	5.40	(6.27)
Profit (loss) before income tax	(114.42)	(203.87)	89.45
Income tax (expense) revenue	2.15	(6.75)	8.90
Net profit (loss) for the period	(112.27)	(210.62)	98.35

The Operating Results and Profitability

In an analysis of the operation results for the year 2022 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 2022 in the amount of 487.65 million baht, an increase from the previous year by 275.87 million baht, up by 130.26%. The revenue from the hotel business consisted of income from rooms 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	
	2022	2021	2022	2021	2022	2021
Revenue						
Revenue from hotel business	337.14	161.17	150.51	50.61	487.65	211.78
Proportion of Room : F&B	69.1%	76.1%	30.9%	23.9%	100.0%	100.0%
Cost of Sale	237.27	176.43	125.14	70.70	362.41	247.13
Cost Ratio(Cost of Sale / Revenue)	70.4%	109.5%	83.1%	139.7%	74.3%	116.7%
Gross Profit	99.87	- 15.26	25.37	- 20.09	125.24	- 35.35
GP Margin(Gross profit / Revenue)	29.6%	-9.5%	16.9%	-39.7%	25.7%	-16.7%

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) Ratchapruerk 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 2022 totaled 337.14 million baht, an increased from the previous year by 175.97 million baht, or 109.2% higher.

b) Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in 2022 amounted to 150.51 million baht, increased from the previous year by 99.90 million baht or 197.4%. They had the ratio of the room to income from food and beverage in 2022 was 69.1 : 30.9 while the ratio of the room to income from food and beverage in 2021 was 76.1 : 23.9

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 “Rachapruerk Lanna Boutique Hotel” Chiang Mai in 2018, 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 invested “Quality Inn Long Beach Signal Hill” in U.S.A. in the 2018.

Details on Revenue from Rental and service Business						
Unit:Million Baht	Domestic		Overseas		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Revenue from rental and service business	402.95	351.39	33.70	36.68	436.65	388.07
Cost of Sale	375.97	347.49	9.59	8.99	385.56	356.48
Cost Ratio(Cost of Sale / Revenue)	93.3%	98.9%	28.5%	24.5%	88.3%	91.9%
Gross Profit	26.98	3.90	24.11	27.69	51.09	31.59
GP Margin(Gross profit / Revenue)	6.7%	1.1%	71.5%	75.5%	11.7%	8.1%

The leasing business of the company has revenue decline in 2022. The company and its subsidiaries had income from rent and service amounted to 436.65 million baht, revenue in 2021 amounted to 388.07 million baht, an increased from the previous year by 48.58 million baht, or 12.5% higher.

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 2022 the company and its subsidiaries has the cost of sale and service for 747.97 million baht, increased from the previous year by 144.36 million baht, or 23.92% higher, The company has gross loss margin higher in 2022 for 19.08% of revenue from the operations, while the previous year had the gross loss of 0.63%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 2022 the company and its subsidiaries had the cost of room sale of 237.27 million baht, increased from the previous year by 60.84 million baht, or 34.5% higher, with the cost ratio for room sale in 2022 and 2021 for 70.4% and 109.5%. The gross profit margin for 2022 equaled to 29.6% and the gross loss margin for 2021 equaled to -9.5%.

Cost of food sale and beverages

In 2022 the company and its subsidiaries had the cost of food and beverage sale of 125.14 million baht, or increased by 54.44 million baht, or 77% from the previous year. They had the ratio of the cost of food and beverage sale for 2022 and 2021 equaled to 83.10% and 139.7% and the gross profit margin for 2022 equaled to 16.9% and the gross loss margin for 2020 equaled to -39.7%.

b) Cost of rental and service

Expenses on the sale, administration and others

In 2022, the company and its subsidiaries had the expense on sale and service and other expenses totaled 186.91 million baht, an increased from the previous year by 64.2 million baht. It has details on the expense of each type as follows:

- Distribution cost in 2022 amounted to 43.25 million baht, increased from the previous year by 22.63 million baht, or 109.75% higher.
- Administrative Expense in 2022 amounted to 136.99 million baht, increased by 38.22 million baht, or 38.7% higher.
- Management benefit expense in 2022 amounted to 6.39 million baht, increased from the previous year by 3.07 million baht, or 92.47% higher.
- Directors' Remuneration in 2022 amounted to 0.28 million baht, increased from the previous year by 0.28 million baht, or 100% higher.

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

In 2022 the company and its subsidiaries had the profit from operating activities amounted to 34.6 million baht, while had loss from operating activities in 2021 amounted to 78.10 million baht, increased from the previous year by 112.70 million baht.

Financial cost

In 2022 the company and its subsidiaries had the financial cost amounted to 149.89 million baht, increased from the previous year by 29.52 million baht.

Profit before tax and Tax Expense

In 2022 the company and its subsidiaries had a loss before income tax totaled 114.42 million baht, decreased loss from the previous year of 89.45 million baht and the company and its subsidiaries has expense tax revenue totaled 2.15 million baht while tax expense was 6.75 million baht in 2021. The company and its subsidiaries had a net loss (net worth of the parent company) totaled 111.45 million baht while in 2021 has net loss totaled 209.09 million baht and the basic loss per share in 2022 equaled to -0.35 baht while in 2021 had the loss per share equaled to -0.65 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)
Deputy Managing Director