

13 February 2024

SUBJECT : Submit the audited financial statements and clarify the 2023 fiscal year end result

ATTN : The President
Stock Exchange of Thailand

Attachment : The audited financial statements for the year ended 31 December 2023 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the audited financial statements for the year ended 31 December 2023 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 2023 as follows:

Analysis and explanations by the management

The Thai tourism business sector is popular with foreign tourists traveling to Thailand at a rate that has increased, almost similar to the period before the outbreak of the coronavirus 2019 (COVID -19). The government has a policy such as supporting free visas to encourage Chinese tourists to travel to Thailand. In addition, it is the high season, so the tourism sector will continue to be bustling until the first quarter of 2024. Asian hotel groups are popular, causing occupancy rates to increase.

Asia Hotel Bangkok - Ratchathewi has renovated the banquet hall to be luxurious and modern, which will open in late February 2024 to accommodate seminar groups. of government agencies, companies and organizations.

Asia Pattaya Hotel is located on Pratumnak Hill, which is a tourist attraction for Thais and foreigners, it has opened a cafe (Sunny Beach) on the cliffside with a natural atmosphere and beautiful view of the sea and sun. It was available for service in February 2024.

In the year 2023, the company and subsidiaries had total revenue of 1,188.48 million baht (in the year 2022 had total revenue of 924.30 million baht), an increase of 264.18 million baht, or 28.58% from last year, consisting of revenue from hotel business an increase of 260.39 million baht or 53.40% from last year.

In the part of Rental Area business operated by Zeer Property PCL which is its subsidiary, had total revenue of 440.44 million baht in the year 2023 consisting of the domestic rental revenue of 406.53 million baht, an increase of 3.58 million baht from the previous year and the oversea rental revenue of 33.91 million baht, an increased of 0.21 million baht from the previous year. The total revenue from the Rental Area business this year increased from the previous year by 3.79 million baht or 0.87%.

Statements of Profit or Loss and other comprehensive income for the Year ended December 31, 2023			
Unit : Millon Baht	2023	2022	Change
	Amount	Amount	Amount
Revenue			
Income from hotel business	748.04	487.65	260.39
Rental and service income	440.44	436.65	3.79
Total Revenue	1,188.48	924.30	264.18
Cost of hotel business	448.78	362.41	86.37
Cost of rental and service	427.74	385.56	42.18
Total cost of sales and service	876.52	747.97	128.55
Gross Profit	311.96	176.33	135.63
Other Income	72.44	45.18	27.26
Profit before expenses	384.40	221.51	162.89
Distribution costs	67.76	43.25	24.51
Administrative expenses	181.81	136.99	44.82
Loss on fixed assets revaluation	52.05	-	52.05
Management benefit expenses	13.55	6.39	7.16
Director ' remuneration	5.71	0.28	5.43
Profit (loss) from operating activities	63.52	34.60	28.92
Financial cost	149.30	149.89	(0.59)
Reversal of Impairment loss determined in accordance with TFRS9	(7.96)	(0.87)	(7.09)
Profit (loss) before income tax	(77.82)	(114.42)	36.60
Income tax (expense) revenue	17.25	2.15	15.10
Net profit (loss) for the period	(60.57)	(112.27)	51.70

The Operating Results and Profitability

In an analysis of the operation results for the year 2023 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 2023 in the amount of 748.04 million baht, an increase from the previous year by 260.39 million baht, up by 53.40%. 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	
	2023	2022	2023	2022	2023	2022
Revenue						
Revenue from hotel business	547.23	337.14	200.81	150.51	748.04	487.65
Proportion of Room : F&B	73.2%	69.1%	26.8%	30.9%	100.0%	100.0%
Cost of Sale	285.05	237.27	163.73	125.14	448.78	362.41
Cost Ratio (Cost of Sale / Revenue)	52.1%	70.4%	81.5%	83.1%	60.0%	74.3%
Gross Profit	262.18	99.87	37.08	25.37	299.26	125.24
GP Margin(Gross profit / Revenue)	47.9%	29.6%	18.5%	16.9%	40.0%	25.7%

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 – Signal Hill, located 3201 E. Pacific High Way, Signal Hill, California, U.S.A.

The company and its subsidiaries had revenue from rooms in the year 2023 totaled 547.23 million baht, an increased from the previous year by 210.09 million baht, or 62.30% higher.

b) Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in 2023 amounted to 200.81 million baht, increased from the previous year by 50.30 million baht or 33.40%. They had the ratio of the room to income from food and beverage in 2023 was 73.2 : 26.8 while the ratio of the room to income from food and beverage in 2022 was 69.1 : 30.9

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	
	2023	2022	2023	2022	2023	2022
Revenue						
Revenue from rental and service business	406.53	402.95	33.91	33.70	440.44	436.65
Cost of Sale	417.88	375.97	9.86	9.59	427.74	385.56
Cost Ratio(Cost of Sale / Revenue)	102.8%	93.3%	29.1%	28.5%	97.1%	88.3%
Gross Profit	- 11.35	26.98	24.05	24.11	12.70	51.09
GP Margin(Gross profit / Revenue)	-2.8%	6.7%	70.9%	71.5%	2.9%	11.7%

The leasing business of the company has revenue in 2023. The company and its subsidiaries had income from rent and service amounted to 440.44 million baht, revenue in 2022 amounted to 436.65 million baht, an increased from the previous year by 3.79 million baht, or 0.87% 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 2023 the company and its subsidiaries has the cost of sale and service for 876.52 million baht, increased from the previous year by 128.55 million baht, or 17.19% higher, The company has gross profit margin higher in 2023 for 26.25% of revenue from the operations, while the previous year had the gross profit of 19.08%. The company can increase sales and control costs well, resulting in increased gross profit margins. The cost of sale and service can be classified as following:

a) Cost of room sale

In 2023 the company and its subsidiaries had the cost of room sale of 285.05 million baht, increased from the previous year by 47.78 million baht, or 20.1 higher, with the cost ratio for room sale in 2023 and 2022 for 52.1% and 70.4%. The gross profit margin for 2023 equaled to 47.9% and the gross profit margin for 2022 equaled to 29.6%.

Cost of food sale and beverages

In 2023 the company and its subsidiaries had the cost of food and beverage sale of 163.73 million baht, or increased by 38.59 million baht, or 30.8% from the previous year. They had the ratio of the cost of food and beverage sale for 2023 and 2022 equaled to 81.5% and 83.1% and the gross profit margin for 2023 equaled to 18.5% and the gross profit margin for 2022 equaled to 16.9%.

b) Cost of rental and service

In 2023, the company and its subsidiaries had rental and service costs of 427.74 million baht (in 2022 the amount was 385.56 million baht), an increase of 42.18 million baht equal to 10.94 %, resulting in a cost ratio for 2023 and 2022 equal to 97.1% and 88.3 % and a rate of gross profit for 2023 and 2022 is 2.9% and 11.7 %, respectively.

Expenses on the sale, administration and others

In 2023, the company and its subsidiaries had the expense on sale and service and other expenses totaled 320.88 million baht, an increased from the previous year by 133.97 million baht. It has details on the expense of each type as follows:

- Distribution cost in 2023 amounted to 67.76 million baht, increased from the previous year by 24.51 million baht, or 56.67% higher.
- Administrative Expense in 2023 amounted to 181.81 million baht, increased by 44.82 million baht, or 32.72% higher.
- Loss on fixed assets revaluation amounted to 52.05 million baht, increased by 100%
- Management benefit expense in 2023 amounted to 13.55 million baht, increased from the previous year by 7.16 million baht, or 112.05% higher.
- Directors' Remuneration in 2023 amounted to 5.71 million baht, increased from the previous year by 5.43 million baht.

Profit(loss) from operating activities

In 2023, the company and its subsidiaries had profits from operating activities amounted to 63.52 million baht (in 2022, operating profits were 34.60 million baht), profits increased from the previous year by 28.92 million baht.

Financial cost

In 2023 the company and its subsidiaries had the financial cost amounted to 149.3 million baht, a decreased from the previous year by 0.59 million baht.

Profit before tax and Tax Expense

In 2023 the company and its subsidiaries had a loss before income tax totaled 77.82 million baht decreased loss from the previous year of 36.60 million baht and the company and its subsidiaries had income tax revenue totaled 17.25 million baht while income tax revenue in 2022 was 2.15 million baht. The company and its subsidiaries had a net loss (net worth of the parent company) totaled 54.26 million baht while in 2022 net loss totaled 111.45 million baht and the basic loss per share in 2023 equaled -0.17 baht while in 2022 the loss per share equaled to -0.35 baht.

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

Best regards,

(Mr. Surapong Techaruvichit)
Managing Director