

13 May 2016

**SUBJECT** : Submit the reviewed financial statements and clarify the result of first quarter ended 31 March 2016

**ATTN** : The President  
Stock Exchange of Thailand

**Attachment** : The reviewed financial statements for the first quarter ended 31 March 2016 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the first quarter period ended 31 March 2016 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 2016 as follows:

### **Analysis and explanations by the management**

#### **Overall picture of the business operations**

In first quarter, the company and subsidiaries had total revenue of 354.09 million baht, a decrease of 7.45 million baht, or 2.06%, the company and its subsidiaries had generated 198.42 million baht revenue from the hotel business, decreased from the previous year by 9.30 million baht.

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 155.67 million baht. The revenue from the space leased business increased from the previous year by 1.85 million or 1.2% caused by new shopping center project “The Hub” which was opened in the mid year 2015.

In Q1/2016 the company and subsidiaries had gross profit of 116.48 million baht (For Q1/2015 had gross profit of 145.63 million baht) and net profit (Equity holders of the parent) amounted 29.82 million baht decreased of 28.15 million baht from the previous year.

**-Statements of Profit or Loss and other comprehensive income for the three -month periods ended March 31,2016**

Unit : Millon Baht	Q1/2016	Q 1/ 2015	Change
	Amount	Amount	Amount
Revenue			
Income from hotel business	198.42	207.72	(9.30)
Rental and service income	155.67	153.82	1.85
<b>Total Revenue</b>	<b>354.09</b>	<b>361.54</b>	<b>(7.45)</b>
Cost of hotel business	123.32	120.68	2.64
Cost of rental and service	114.29	95.23	19.06
Total cost of sales and service	<b>237.61</b>	<b>215.91</b>	<b>21.70</b>
Gross Profit	116.48	145.63	(29.15)
Other Income	20.98	25.76	(4.78)
Profit before expenses	137.46	171.39	(33.93)
Selling expenses	19.91	20.19	(0.28)
Administrative expenses	48.11	45.25	2.86
Management benefit expenses	4.22	3.63	0.59
Director ' remuneration	0.67	0.59	0.08
Reversal of provision for doubtful debt	0.24	0.41	(0.17)
<b>Profit before interest and tax</b>	<b>64.31</b>	<b>101.32</b>	<b>(37.01)</b>
Financial cost	28.71	24.49	4.22
profit (loss) before income tax	<b>35.60</b>	<b>76.83</b>	<b>(41.23)</b>
Income tax (expense) revenue	4.86	16.89	(12.03)
Net profit (loss) for the period	<b>30.74</b>	<b>59.94</b>	<b>(29.20)</b>

In an analysis of the operation results for the first quarter of year 2016 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 1 / 2016	Q 1 / 2015	Q 1 / 2016	Q 1 / 2015	Q 1 / 2016	Q 1 / 2015
Revenue						
Revenue from hotel business	126.94	126.99	71.48	80.73	198.42	207.72
Proportion of Room : F&B	64.0%	61.1%	36.0%	38.9%	100.0%	100.0%
Cost of Sale	72.81	70.33	50.51	50.35	123.32	120.68
Cost Ratio(Cost of Sale / Revenue)	57.4%	55.4%	70.7%	62.4%	62%	58%
Gross Profit	54.13	56.66	20.97	30.38	75.10	87.04
GP Margin(Gross profit / Revenue)	42.6%	44.6%	29.3%	37.6%	37.8%	41.9%

### 1) Income from the rooms

The company and its subsidiaries operated four hotels consisted of Asia Hotel, which situated in Ratcha Thewi district, Bangkok; Asia Pattaya Hotel at Pattaya city; Asia Airport Hotel in Rangsit, Pathum Thani province, and Asia Hotel Cha-um, at Cha-um Beach, Phetchaburi province. The company and its subsidiaries had revenue from hotel business totaled 198.42 million baht , decreased from the previous year by 9.3 million baht or 4.48% lower.

Revenue from rooms in Q1/2016 totaled 126.94 million baht, similar with Q1/2015 that revenue amount 126.99 million baht. The average rate of occupancy of the four hotels in Q1/2016 equaled to 69.29% while the first quarter of previous year had the average rate of occupancy equaled to 74.39%.

However, the average room rate of the four hotels in Q1/2016 equaled to 1,240 baht , increased from the previous year while the first quarter of previous year had the average room rate equaled to 1,222 baht.

### Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q1/2016 amounted to 71.48 million baht, decreased from the previous year 9.25 million baht. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms.

### 2) Income from rent and services

Zeer Property and its subsidiaries have rental and services income from leasing space income. The income mention before is from 3 places including Zeer Rangsit Shopping Center, Asia

Hotel Cha-um Building, and the commercial building “Glendale & Glenhurst” in California, the USA, operated by Zeer Overseas LLC, which is a subsidiary of Zeer Property, incorporated in the USA.

Details on Revenue from Rental and service Business						
Unit Million Baht	Domestic		Overseas		Total	
	Q 1 / 2016	Q 1 / 2015	Q 1 / 2016	Q 1 / 2015	Q 1 / 2016	Q 1 / 2015
<b>Revenue</b>						
Revenue from rental and service business	152.08	148.68	3.59	5.14	155.67	153.82
<b>Cost of Sale</b>	113.04	93.94	1.25	1.29	114.29	95.23
<b>Cost Ratio(Cost of Sale / Revenue)</b>	74.3%	63.2%	34.8%	25.1%	73.4%	61.9%
<b>Gross Profit</b>	39.04	54.74	2.34	3.85	41.38	58.59
<b>GP Margin(Gross profit / Revenue)</b>	25.7%	36.8%	65.2%	74.9%	26.6%	38.1%

### 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 2016 the company and its subsidiaries has the cost of sale and service for 237.61 million baht, increased from the previous year by 21.7 million baht, or 10.05% higher. The company has gross profit margin decline in 2016 for 32.9% of revenue from the operations, while the previous year had the gross profit of 40.3%. The cost of sale and service can be classified as following:

#### a) Cost of room sale

In 1<sup>st</sup> quarter of 2016 the company and its subsidiaries had the cost of room sale of 72.81 million baht, increased from the previous year by 2.48 million baht, or 3.53% higher, with the cost ratio for room sale in Q1 of 2016 and 2015 for 57.4% and 55.4%. The gross profit margin for Q1 of 2016 and 2015 equaled to 42.6% and 44.6% respectively.

### **Cost of food sale and beverages**

In 1<sup>st</sup> quarter of 2016 the company and its subsidiaries had the cost of food and beverage sale of 50.51 million baht, or increased by 0.16 million baht, or 0.32% increased from the previous year. They had the ratio of the cost of food and beverage sale for 2016 and 2015 equaled to 70.7% and 62.4% and the gross profit margin for 2016 and 2015 equaled to 29.3% and 37.6% respectively.

### **b) Cost of rental and service**

In 1<sup>st</sup> quarter of 2016, the company and its subsidiaries had the cost of rent and service of 114.29 million baht, or increased by 19.1 million baht or 20.3% higher from the previous year. The gross profit margin for 2016 and 2015 equaled to 26.6% and 38.1% respectively.

### **Expenses on the sale, administration and others**

In 1<sup>st</sup> quarter 2016, the company and its subsidiaries had the expense on sale and service and other expenses totaled 73.15 million baht, increased from the year before by 3.08 million baht, or 4.4% higher. It has details on the increase or decrease from the previous year on the expense of each type as follows:

- Expense on sale in 2016 amounted to 19.91 million baht, decreased from the previous year by 0.28 million baht, or 1.39% lower.
- Expense on administration cost in 2016 amounted to 48.11 million baht, increased by 2.86 million baht, or 6.32% higher.
- Compensation for the management in 2016 amounted to 4.22 million baht, increased from the previous year by 0.59 million baht, or 16.25% higher.
- Compensation for the directors in 2016 amounted to 0.67 million baht, increased from the previous year by 0.08 million baht, or 13.56% higher.
- In 2016 The Company had a the reversal of provision for doubtful debts of 0.24 million baht while in the previous year had the reversal of provision for doubtful debts of 0.41 million baht.

### **Profit before the financial cost and the income tax**

In Q1/2016 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 64.31 million baht, decreased from the same quarter of previous year by 37.01 million baht, or 36.53% lower.

**Financial cost**

In Q1/2016 the company and its subsidiaries had the financial cost amounted to 28.71 million baht, while in Q1/2015 amounted 24.49 million baht, which is increased by 4.22 million baht.

**Net Profit**

In 2016 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 29.82 million baht, decreased from the previous year by 28.15 million baht and the basic earning per share in 2016 equaled to 0.93 baht while in Q1/2015 had the earning per share equaled to 1.81 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)

Deputy Managing Director