



15 May 2017

SUBJECT : Submit the reviewed financial statements and clarify the result of first quarter ended 31 March 2017

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the first quarter ended 31 March 2017 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the first quarter period ended 31 March 2017 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 2017 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 345.16 million baht, a decrease of 8.93 million baht, or 2.52%, the company and its subsidiaries had generated 186.45 million baht revenue from the hotel business (the room revenue of Q1/2016 = 198.42 million baht), decreased from the previous year by 11.97 million baht.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 158.71 million baht. The revenue from the Rental Area business increased from the previous year by 3.04 million or 1.95%.

In Q1/2017 the company and subsidiaries had gross profit of 118.17 million baht (For Q1/2016 had gross profit of 123.93 million baht) and net profit (Equity holders of the parent) amounted 31.42 million baht, decreased of 2.23 million baht from the previous year.

Statements of Profit or Loss and other comprehensive income for the three -month periods ended March 31, 2017

Unit : Million Baht	Q 1/2017	Q 1/ 2016	Change
			Amount
Revenue			
Income from hotel business	186.45	198.42	(11.97)
Rental and service income	158.71	155.67	3.04
Total Revenue	345.16	354.09	(8.93)
Cost of hotel business	114.07	116.19	(2.12)
Cost of rental and service	112.92	113.97	(1.05)
Total cost of sales and service	226.99	230.16	(3.17)
Gross Profit	118.17	123.93	(5.76)
Other Income	24.37	20.98	3.39
Profit before expenses	142.54	144.91	(2.37)
Selling expenses	16.61	19.91	(3.30)
Administrative expenses	59.79	50.92	8.87
Management benefit expenses	3.77	4.22	(0.45)
Director ' remuneration	0.71	0.67	0.04
Reversal of provision for doubtful debt	(2.83)	0.23	(3.06)
Profit before interest and tax	64.49	68.96	(4.47)
Financial cost	28.67	28.71	(0.04)
profit (loss) before income tax	35.82	40.25	(4.43)
Income tax (expense) revenue	3.32	5.66	(2.34)
Net profit (loss) for the period	32.50	34.59	(2.09)

In an analysis of the operation results for the first quarter of year 2017 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 / 2017	Q 1 / 2016	Q 1 / 2017	Q 1 / 2016	Q 1 / 2017	Q 1 / 2016
Revenue						
Revenue from hotel business	117.08	126.94	69.37	71.48	186.45	198.42
Proportion of Room : F&B	62.8%	64.0%	37.2%	36.0%	100.0%	100.0%
Cost of Sale	57.52	61.14	56.55	55.05	114.07	116.19
Cost Ratio(Cost of Sale / Revenue)	49.1%	48.2%	81.5%	77.0%	61.2%	58.6%
Gross Profit	59.56	65.80	12.82	16.43	72.38	82.23
GP Margin(Gross profit / Revenue)	50.9%	51.8%	18.5%	23.0%	38.8%	41.4%

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 186.45 million baht , decreased from the previous year by 11.97 million baht or 6.0% lower.

Revenue from rooms in Q1/2017 totaled 117.08 million baht, decreased from Q1/2016 that revenue amount 126.94 million baht, by 9.86 million baht or 7.7% lower. The average rate of occupancy of the four hotels in Q1/2017 equaled to 64.13% while the first quarter of previous year had the average rate of occupancy equaled to 66.71%.

However, the average room rate of the four hotels in Q1/2017 equaled to 1,346 baht , is similar to the previous year while the first quarter of previous year had the average room rate equaled to 1,345 baht.

Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q1/2017 amounted to 69.37 million baht, decreased from the previous year by 2.11 million baht. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms.

The revenue of the hotel business was down from the same quarter of last year. The main cause was the effect of the events in the fourth quarter of 2016, which was the absence of a party to commemorate His Majesty the King, Bhumibol Adulyadej and accompanying the “Zero-Dollar Tour”, this event resulted in the first quarter of 2017.

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 / 2017	Q 1 / 2016	Q 1 / 2017	Q 1 / 2016	Q 1 / 2017	Q 1 / 2016
Revenue						
Revenue from rental and service business	152.74	152.08	5.97	3.59	158.71	155.67
Cost of Sale	111.27	112.72	1.65	1.25	112.92	113.97
Cost Ratio (Cost of Sale / Revenue)	72.8%	74.1%	27.6%	34.8%	71.1%	73.2%
Gross Profit	41.47	39.36	4.32	2.34	45.79	41.70
GP Margin(Gross profit / Revenue)	27.2%	25.9%	72.4%	65.2%	28.9%	26.8%

Rental and service income for the first quarter of 2017 was 158.71 million baht, an increase of Baht 3 million baht from the same quarter of last year due to there are new shop tenants in this year while there were vacant space 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 2017 the company and its subsidiaries has the cost of sale and service for 226.99 million baht, decreased from the previous year by 3.17 million baht, or 1.38% lower. The company has gross profit margin decline in 2017 for 34.2% of revenue from the operations, while the previous year had the gross profit of 35.0%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 1st quarter of 2017 the company and its subsidiaries had the cost of room sale of 57.52 million baht, decreased from the previous year by 3.62 million baht, or 5.92% lower, with the cost

ratio for room sale in Q1 of 2017 and 2016 for 49.1% and 48.2%. The gross profit margin for Q1 of 2017 and 2016 equaled to 50.9% and 51.8% respectively.

Cost of food sale and beverages

In 1st quarter of 2017 the company and its subsidiaries had the cost of food and beverage sale of 56.55 million baht, or increased by 1.50 million baht, or 2.72% increased from the previous year. They had the ratio of the cost of food and beverage sale for 2017 and 2016 equaled to 81.5% and 77.4% and the gross profit margin for 2017 and 2016 equaled to 18.5% and 23.0% respectively.

b) Cost of rental and service

In 1st quarter of 2017, the company and its subsidiaries had the cost of rent and service of 112.92 million baht (Cost of Rental and service from Domestic business equaled 111.27 million baht and Oversea business equaled 1.65 million baht), or 1.45% lower from the previous year. The gross profit margin for 2017 and 2016 equaled to 28.9% and 26.8% respectively.

Expenses on the sale, administration and others

In 1st quarter 2017, the company and its subsidiaries had the expense on sale and service and other expenses totaled 78.05 million baht, increased from the previous year by 2.1 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 2017 amounted to 16.61 million baht, decreased from the previous year by 3.3 million baht, or 16.57% lower.
- Expense on administration cost in 2017 amounted to 59.79 million baht, increased by 8.87 million baht, or 17.42% higher.
- Compensation for the management in 2017 amounted to 3.77 million baht, decreased from the previous year by 0.45 million baht, or 10.66% lower.
- Compensation for the directors in 2017 amounted to 0.71 million baht, increased from the previous year by 0.04 million baht, or 5.97% higher.
- In 2017 The Company had doubtful debts of 2.83 million baht while in the previous year had the reversal of provision for doubtful debts of 0.23 million baht, decreased by 3.06 million baht.

Profit before the financial cost and the income tax

In Q1/2017 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 64.49 million baht, decreased from the same quarter of previous year by 4.47 million baht, or 6.48% lower.

Financial cost

In Q1/2017 the company and its subsidiaries had the financial cost amounted to 28.67 million baht, while in Q1/2016 amounted 28.71 million baht, which is decreased by 0.04 million baht.

Net Profit

In 2017 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 31.42 million baht, decreased from the previous year by 2.23 million baht and the basic earning per share in 2017 equaled to 0.98 baht while in Q1/2016 had the earning per share equaled to 0.26 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)

Deputy Managing Director