



14 November 2017

**SUBJECT :** Submit the reviewed financial statements and clarify the result of third quarter ended 30 September 2017

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

**Attachment :** The reviewed financial statements for the third quarter ended 30 September 2017 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the second quarter period ended 30 June 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 second quarter period of the year 2017 as follows:

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

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

In second quarter, the company and subsidiaries had total revenue of 343.49 million baht, an increase of 22.94 million baht, or 7.16%, the company and its subsidiaries had generated 193.81 million baht revenue from the hotel business (the room revenue of Q3/2016 = 165.54 million baht), increased from the previous year by 28.27 million baht or 17.08%. The revenue from hotel business increased from the same quarter of last year due to the growth of the tourism industry in Thailand which grow continuing.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 149.68 million baht. The revenue from the Rental Area business in Q3/2016 of 155.01 million, decreased from the previous year by 5.33 million baht or 3.4%.

In Q3/2017 the company and subsidiaries had gross profit of 107.76 million baht (For Q3/2016 had gross profit of 87.47 million baht) and net profit (Equity holders of the parent) amounted 3.34 million baht, increased of 21.11 million baht from the previous year.

**Statements of Profit or Loss and other comprehensive income for the three-month periods ended September 30, 2017**

Unit : Millon Baht	Q 3/2017	Q 3/2016	Change
			Amount
<b>Revenue</b>			
Income from hotel business	193.81	165.54	28.27
Rental and service income	149.68	155.01	(5.33)
<b>Total Revenue</b>	<b>343.49</b>	<b>320.55</b>	<b>22.94</b>
Cost of hotel business	116.42	118.35	(1.93)
Cost of rental and service	119.31	114.73	4.58
<b>Total cost of sales and service</b>	<b>235.73</b>	<b>233.08</b>	<b>2.65</b>
Gross Profit	107.76	87.47	20.29
Other Income	18.50	19.40	(0.90)
Profit before expenses	126.26	106.87	19.39
Selling expenses	16.34	17.85	(1.51)
Administrative expenses	59.87	71.07	(11.20)
Management benefit expenses	3.70	3.83	(0.13)
Director ' remuneration	0.67	0.63	0.04
Loss from fixed assets revaluation	16.68	-	
Reversal of provision for doubtful debt	2.07	0.73	1.34
<b>Profit befor interest and tax</b>	<b>26.93</b>	<b>12.76</b>	<b>14.17</b>
Financial cost	29.07	28.27	0.80
profit (loss) before income tax	<b>(2.14)</b>	<b>(15.51)</b>	13.37
Income tax (expense) revenue	5.24	(2.50)	7.74
Net profit (loss) for the period	<b>3.10</b>	<b>(18.01)</b>	<b>21.11</b>

In an analysis of the operation results for the third 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	
	Q3/2017	Q3/2016	Q3/2017	Q3/2016	Q3/2017	Q3/2016
Revenue						
Revenue from hotel business	116.06	97.27	77.75	68.27	193.81	165.54
Proportion of Room : F&B	59.9%	58.8%	40.1%	41.2%	100.0%	100.0%
Cost of Sale	60.21	62.17	56.21	56.18	116.42	118.35
Cost Ratio(Cost of Sale / Revenue)	51.9%	63.9%	72.3%	82.3%	60.1%	71.5%
Gross Profit	55.85	35.10	21.54	12.09	77.39	47.19
GP Margin(Gross profit / Revenue)	48.1%	36.1%	27.7%	17.7%	39.9%	28.5%

### 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. In Q3/2017, The company and its subsidiaries had revenue from hotel business totaled 193.81 million baht, increased from the previous year by 28.27 million baht or 17.08% higher.

Revenue from rooms in Q3/2017 totaled 116.06 million baht, increased from Q3/2016 that revenue amount 97.27 million baht, by 18.79 million baht or 19.32% higher. The average rate of occupancy of the four hotels in Q3/2017 equaled to 69.77% while the same quarter of previous year had the average rate of occupancy equaled to 60.28%.

However, the average room rate of the four hotels in Q3/2017 equaled to 1,290 baht, is increased of 1.34% from the previous year while the same quarter of previous year had the average room rate equaled to 1,273 baht. The room revenue has grown both occupancy rates and room rates.

### Income from food and beverages

The company and its subsidiaries had the higher income of food and beverages from restaurants and banquets, in Q3/2017 amounted to 77.75 million baht, and the income of food and beverages from restaurants and banquets in Q3/2016 amounted to 68.27 million baht. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms. That is, if the company has a lot of guests. It usually has food and beverage increases.

## 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	
	Q3/2017	Q3/2016	Q3/2017	Q3/2016	Q3/2017	Q3/2016
Revenue						
Revenue from rental and service business	144.38	150.59	5.30	4.42	149.68	155.01
Cost of Sale	117.38	113.33	1.93	1.40	119.31	114.73
Cost Ratio (Cost of Sale / Revenue)	81.3%	75.3%	36.4%	31.7%	79.7%	74.0%
Gross Profit	27.00	37.26	3.37	3.02	30.37	40.28
GP Margin(Gross profit / Revenue)	18.7%	24.7%	63.6%	68.3%	20.3%	26.0%

Rental and service income for the third quarter of 2017 was 149.68 million baht, decreased by 5.33 million or 3.4% 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.

### 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 Q3 of 2017 the company and its subsidiaries has the cost of sale and service for 235.73 million baht, increased from the previous year by 2.65 million baht, or 1.14% higher. The company has gross profit margin decline in 2017 for 31.4% of revenue from the operations, while the previous year had the gross profit of 27.3%. The cost of sale and service can be classified as following:

#### a) Cost of room sale

In Q3 of 2017 the company and its subsidiaries had the cost of room sale of 60.21 million baht, and cost of room sale of 62.17 million baht of the previous year with the cost ratio for room sale in Q3 of 2017 and 2016 for 51.9% and 63.9%. The gross profit margin for Q3 of 2017 and 2016 equaled to 48.1% and 36.1% respectively.

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

In 3<sup>rd</sup> quarter of 2017 the company and its subsidiaries had the cost of food and beverage sale of 56.21 million baht, similar as, the cost of food and beverage sale of the previous year of 56.18 million baht. They had the ratio of the cost of food and beverage sale for 2017 and 2016 equaled to 72.3% and 82.3% and the gross profit margin for 2017 and 2016 equaled to 27.7% and 17.7% respectively.

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

In 3<sup>rd</sup> quarter of 2017, the company and its subsidiaries had the cost of rent and service of 119.31 million baht (Cost of Rental and service from Domestic business equaled 117.38 million baht and Oversea business equaled 1.93 million baht), or 4.58% higher from the previous year. The gross profit margin for 2017 and 2016 equaled to 20.3% and 26% respectively.

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

In 3<sup>rd</sup> quarter 2017, the company and its subsidiaries had the expense on sale and service and other expenses totaled 99.33 million baht, in Q3/2016 totaled 94.11 million baht, increased from the previous year by 5.22 million baht or 5.55%. 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 16.34 million baht, decreased from the previous year by 1.51 million baht, or 8.46% lower.
- Expense on administration cost in 2017 amounted to 59.87 million baht, decreased by 11.20 million baht, or 15.76% lower.
- Compensation for the management in 2017 amounted to 3.70 million baht, decreased from the previous year by 0.13 million baht, or 3.39% lower.
- Compensation for the directors in 2017 amounted to 0.67 million baht, increased from the previous year by 0.04 million baht, or 6.35% higher.
- In 2017 The Company had the provision for doubtful debts of 2.06 million baht while in the previous year had the provision for doubtful debts of 0.73 million baht, increased by 1.33 million baht.
- Loss from fixed assets revaluation amounted to 16.68 million baht.

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

In Q3/2017 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 26.93 million baht, increased from the same quarter of previous year by 14.17 million baht, or 111.05% higher.

**Financial cost**

In Q3/2017 the company and its subsidiaries had the financial cost amounted to 29.07 million baht, while in Q3/2016 amounted to 28.27 million baht, which is increased by 0.8 million baht.

**Net Profit**

In Q3/2017 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 3.34 million baht, increased from the previous year by 21.11 million baht and the basic earning per share in Q3/2017 equaled to 0.10 baht.

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

Best regards,

(Mr. Surapong Techaruvichit)

Managing Director