



14 May 2018

SUBJECT : Submit the reviewed financial statements and clarify the result of first quarter ended 31 March 2018

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the first quarter ended 31 March 2018 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the first quarter period ended 31 March 2018 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 2018 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 362.39 million baht, an increase of 17.23 million baht, or 4.99%, the company and its subsidiaries had generated 210.87 million baht revenue from the hotel business (the room revenue of Q1/2017 = 186.45 million baht), increased from the previous year by 24.42 million baht.

In the part of Rental Area Business operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 151.52 million baht. The revenue from the Rental Area business decreased from the previous year by 7.19 million or 4.53%.

In Q1/2018 the company and subsidiaries had gross profit of 127.73 million baht (For Q1/2017 had gross profit of 118.17 million baht) and net profit (Equity holders of the parent) amounted 42.31 million baht, increased of 10.89 million baht from the previous year.

Statements of Profit or Loss and other comprehensive income for the three -month periods ended March 31,2018

Unit : Million Baht	Q 1/2018	Q 1/ 2017	Change
	Amount	Amount	Amount
Revenue			
Income from hotel business	210.87	186.45	24.42
Rental and service income	151.52	158.71	(7.19)
Total Revenue	362.39	345.16	17.23
Cost of hotel business	115.52	114.07	1.45
Cost of rental and service	119.14	112.92	6.22
Total cost of sales and service	234.66	226.99	7.67
Gross Profit	127.73	118.17	9.56
Other Income	23.91	24.37	(0.46)
Profit before expenses	151.64	142.54	9.10
Selling expenses	16.48	16.61	(0.13)
Administrative expenses	57.62	59.79	(2.17)
Management benefit expenses	4.22	3.77	0.45
Director ' remuneration	0.82	0.71	0.11
Reversal of provision for doubtful debt	1.20	(2.83)	4.03
Profit before interest and tax	71.30	64.49	6.81
Financial cost	25.98	28.67	(2.69)
profit (loss) before income tax	45.32	35.82	9.50
Income tax (expense) revenue	2.63	3.32	(0.69)
Net profit (loss) for the period	42.69	32.50	10.19

In an analysis of the operation results for the first quarter of year 2018 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 / 2018	Q 1 / 2017	Q 1 / 2018	Q 1 / 2017	Q 1 / 2018	Q 1 / 2017
Revenue						
Revenue from hotel business	138.63	117.08	72.24	69.37	210.87	186.45
Proportion of Room : F&B	65.7%	62.8%	34.3%	37.2%	100.0%	100.0%
Cost of Sale	60.28	57.52	55.24	56.55	115.52	114.07
Cost Ratio(Cost of Sale / Revenue)	43.5%	49.1%	76.5%	81.5%	54.8%	61.2%
Gross Profit	78.35	59.56	17.00	12.82	95.35	72.38
GP Margin(Gross profit / Revenue)	56.5%	50.9%	23.5%	18.5%	45.2%	38.8%

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 for Q1/2018 totaled 210.87 million baht, increased from the previous year by 24.42 million baht or 13.1% higher.

Revenue from rooms in Q1/2018 totaled 138.63 million baht, increased from Q1/2017 that revenue amount 117.08 million baht, by 21.55 million baht or 18.41% higher. The average rate of occupancy of the four hotels in Q1/2018 equaled to 78% while the first quarter of previous year had the average rate of occupancy equaled to 64%.

However, the average room rate of the four hotels in Q1/2018 equaled to 1,306 baht, is decline from the previous year while the first quarter of previous year had the average room rate equaled to 1,346 baht.

Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q1/2018 amounted to 72.24 million baht, increased from the previous year by 2.87 million baht. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms. For food and beverage income in 2018, this has increased, but not related to the increased room income. This is due to the change of behavior of customers who booked only room, excluding breakfast (ABF).

Because of travel behavior of tourists today is often travel with family or a group of friends and will be preferred to reserve accommodation through the Internet application or hotel website. Therefore, business strategy of Asia Hotel Group will be this target group and it was well response from mid-2560 to present

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, AA-Town Apartment, 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 / 2018	Q 1 / 2017	Q 1 / 2018	Q 1 / 2017	Q 1 / 2018	Q 1 / 2017
Revenue						
Revenue from rental and service business	145.81	152.74	5.71	5.97	151.52	158.71
Cost of Sale	117.53	111.27	1.61	1.65	119.14	112.92
Cost Ratio(Cost of Sale / Revenue)	80.6%	72.8%	28.2%	27.6%	78.6%	71.1%
Gross Profit	28.28	41.47	4.10	4.32	32.38	45.79
GP Margin(Gross profit / Revenue)	19.4%	27.2%	71.8%	72.4%	21.4%	28.9%

Rental and service income in the first quarter of 2018 was 151.52 million baht, a decrease of Baht 7.19 million baht from the same quarter of last year due to in the process of changing the layout of rental area inside the Zeer Rangsit Shopping Center. There are improvement in front of the building and the market around outside of building. When the renovation has been finished, Zeer Rangsit shopping center will be more interesting from tenant and customer.

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 2018 the company and its subsidiaries has the cost of sale and service for 234.66 million baht, increased from the previous year by 7.67 million baht, or 3.38% higher. The company has gross profit margin decline in 2018 for 35.2% of revenue from the operations, while the previous year had the gross profit of 34.2%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 1st quarter of 2018 the company and its subsidiaries had the cost of room sale of 60.28 million baht, increased from the previous year by 2.76 million baht, or 4.8% higher, with the cost ratio for room sale in Q1 of 2018 and 2017 for 43.5% and 49.1%. The gross profit margin for Q1 of 2018 and 2017 equaled to 56.5% and 50.9% respectively.

Cost of food sale and beverages

In 1st quarter of 2018 the company and its subsidiaries had the cost of food and beverage sale of 55.24 million baht, or decreased by 1.31 million baht, or 2.32% decreased from the previous year. They had the ratio of the cost of food and beverage sale for 2018 and 2017 equaled to 76.5% and 81.5% and the gross profit margin for 2018 and 2017 equaled to 23.0% and 18.5% respectively.

b) Cost of rental and service

In 1st quarter of 2018, the company and its subsidiaries had the cost of rent and service of 119.14 million baht (Cost of Rental and service from Domestic business equaled 117.53 million baht and Oversea business equaled 1.61 million baht), or 5.5% higher from the previous year. The gross profit margin for 2018 and 2017 equaled to 21.4% and 28.9% respectively.

Expenses on the sale, administration and others

In 1st quarter 2018, the company and its subsidiaries had the expense on sale and service and other expenses totaled 80.34 million baht, increased from the previous year by 2.29 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 2018 amounted to 16.48 million baht, decreased from the previous year by 0.13 million baht, or 0.78% lower.
- Expense on administration cost in 2018 amounted to 57.62 million baht, decreased by 2.17 million baht, or 3.63% lower.
- Compensation for the management in 2018 amounted to 4.22 million baht, increased from the previous year by 0.45 million baht, or 11.94% higher.
- Compensation for the directors in 2018 amounted to 0.82 million baht, increased from the previous year by 0.11 million baht, or 15.49% higher.
- In 2018 The Company had doubtful debts of 1.2 million baht while in the previous year had the reversal of provision for doubtful debts of 2.83 million baht, increased by 4.03 million baht.

Profit before the financial cost and the income tax

In Q1/2018 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 71.30 million baht, increased from the same quarter of previous year by 6.81 million baht, or 10.56% higher.

Financial cost

In Q1/2018 the company and its subsidiaries had the financial cost amounted to 25.98 million baht, while in Q1/2017 amounted 28.67 million baht, which is decreased by 2.69 million baht.

Net Profit

In 2018 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 42.31 million baht, increased from the previous year by 10.89 million baht and the basic earning per share in 2018 equaled to 1.32 baht while in Q1/2017 had the earning per share equaled to 0.98 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)
Deputy Managing Director