

14 November 2016

**SUBJECT :** Submit the reviewed financial statements and clarify the result of third quarter ended 30 September 2016

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

**Attachment :** The reviewed financial statements for the third quarter ended 30 September 2016 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the third quarter period ended 30 September 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 third quarter period of the year 2016 as follows:

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

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

In third quarter, the company and subsidiaries had total revenue of 320.56 million baht, a decrease of 22.42 million baht, or 6.54%, the company and its subsidiaries had generated 165.55 million baht revenue from the hotel business, decreased from the previous year by 20.48 million baht.

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had rental and service revenue of 155.01 million baht. The revenue from the space leased business decreased from the previous year by 1.94 million or 1.24% caused by new shopping center project “The Hub” which was opened in the mid-year 2015.

In Q3/2016 the company and subsidiaries had gross profit of 81.86 million baht (For Q3/2015 had gross profit of 104.43 million baht) and net loss (Equity holders of the parent) amounted 21.48 million baht decreased of 112.72 million baht from the previous year.

**Statements of Profit or Loss and other comprehensive income for the three-month periods ended September 30, 2016**

Unit : Million Baht	Q3/2016	Q3/2015	Change
			Amount
Revenu			
Income from hotel business	165.55	186.03	(20.48)
Rental and service income	155.01	156.95	(1.94)
<b>Total Revenue</b>	<b>320.56</b>	<b>342.98</b>	<b>(22.42)</b>
Cost of hotel business	123.71	124.38	(0.67)
Cost of rental and service	114.99	114.17	0.82
<b>Total cost of sales and service</b>	<b>238.70</b>	<b>238.55</b>	<b>0.15</b>
Gross Profit	81.86	104.43	(22.57)
Other Income	19.39	23.90	(4.51)
Profit before expenses	101.25	128.33	(27.08)
Selling expenses	16.98	17.96	(0.98)
Administrative expenses	70.98	54.23	16.75
Management benefit expenses	3.83	3.65	0.18
Director ' remuneration	0.63	0.58	0.05
Reversal of provision for doubtful debt	0.73	(83.55)	84.28
<b>Profit befor interest and tax</b>	<b>8.10</b>	<b>135.45</b>	<b>(127.35)</b>
Financial cost	28.27	33.10	(4.83)
profit (loss) before income tax	<b>(20.17)</b>	<b>102.35</b>	(122.52)
Income tax (expense) revenue	1.57	10.57	(9.00)
<b>Net profit (loss) for the period</b>	<b>(21.74)</b>	<b>91.78</b>	<b>(113.52)</b>

In an analysis of the operation results for the second 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 3 / 2016	Q 3 / 2015	Q 3 / 2016	Q 3 / 2015	Q 3 / 2016	Q 3 / 2015
Revenue						
Revenue from hotel business	97.28	103.58	68.27	82.45	165.55	186.03
Proportion of Room : F&B	58.8%	55.7%	41.2%	44.3%	100.0%	100.0%
Cost of Sale	67.44	66.31	56.27	58.06	123.71	124.37
Cost Ratio(Cost of Sale / Revenue)	69.3%	64.0%	82.4%	70.4%	74.7%	66.9%
Gross Profit	29.84	37.27	12.00	24.39	41.84	61.66
GP Margin(Gross profit / Revenue)	30.7%	36.0%	17.6%	29.6%	25.3%	33.1%

### 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 Q3/2016 totaled 165.55 million baht , decreased from the previous year by 20.48 million baht or 11.01% lower.

Revenue from rooms in Q3/2016 totaled 97.28 million baht, decreased from Q3/2015 that revenue amount 103.58 million baht, decreased from the previous year by 6.30 million baht. The average rate of occupancy of the four hotels in Q3/2016 equaled to 55.07% while the third quarter of previous year had the average rate of occupancy equaled to 64.10%.

However, the average room rate of the four hotels in Q3/2016 equaled to 1,170 baht , increased from the previous year while the third quarter of previous year had the average room rate equaled to 1,120 baht.

### Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q3/2016 amounted to 68.27 million baht, decreased from the previous year 14.18 million baht. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms. And Thai Government support to seminar market in the year 2015 but Government reduce budgeting on seminar in 2016.

## 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 3 / 2016	Q 3 / 2015	Q 3 / 2016	Q 3 / 2015	Q 3 / 2016	Q 3 / 2015
<b>Revenue</b>						
Revenue from rental and service business	150.59	152.55	4.42	4.40	155.01	156.95
Cost of Sale	113.59	112.71	1.40	1.47	114.99	114.18
Cost Ratio(Cost of Sale / Revenue)	75.4%	73.9%	31.7%	33.4%	74.2%	72.7%
Gross Profit	37.00	39.84	3.02	2.93	40.02	42.77
GP Margin(Gross profit / Revenue)	24.6%	26.1%	68.3%	66.6%	25.8%	27.3%

## 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 2016 the company and its subsidiaries has the cost of sale and service for 238.70 million baht, increased from the previous year by 0.15 million baht, or 0.06% higher. The company has gross profit margin decline in 2016 for 25.5% of revenue from the operations, while the previous year had the gross profit of 30.4%. The cost of sale and service can be classified as following:

#### a) Cost of room sale

In 3<sup>rd</sup> quarter of 2016 the company and its subsidiaries had the cost of room sale of 67.44 million baht, increased from the previous year by 1.13 million baht, or 1.70% higher, with the cost ratio for room sale in Q3 of 2016 and 2015 for 69.3% and 64%. The gross profit margin for Q3 of 2016 and 2015 equaled to 30.7% and 36% respectively.

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

In 3<sup>rd</sup> quarter of 2016 the company and its subsidiaries had the cost of food and beverage sale of 56.27 million baht, or decreased by 1.79 million baht, or 3.08% lower from the previous year. They had the ratio of the cost of food and beverage sale for 2016 and 2015 equaled to 82.4% and 70.4% and the gross profit margin for 2016 and 2015 equaled to 17.6% and 29.6% respectively.

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

In 3<sup>rd</sup> quarter of 2016, the company and its subsidiaries had the cost of rent and service of 114.99 million baht (Domestic 113.59 million baht and Overseas 1.40 million baht), increased 0.7% higher from the previous year. The gross profit margin for 2016 and 2015 equaled to 25.8% and 27.3% respectively.

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

In 3<sup>rd</sup> quarter 2016, the company and its subsidiaries had the expense on sale and service and other expenses totaled 93.15 million baht, increased from the year before by 100.28 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 2016 amounted to 16.98 million baht, decreased from the previous year by 0.98 million baht, or 5.46% lower.
- Expense on administration cost in 2016 amounted to 70.98 million baht, increased by 16.75 million baht, or 30.89% higher.
- Compensation for the management in 2016 amounted to 3.83 million baht, increased from the previous year by 0.18 million baht, or 4.93% higher.
- Compensation for the directors in 2016 amounted to 0.63 million baht, increased from the previous year by 0.05 million baht, or 8.62% higher.
- In 2016 The Company had the reversal of provision for doubtful debts of 0.73 million baht while in the previous year had the reversal of provision for doubtful debts of 83.55 million baht, increased 84.28 million baht due to the Company reversed the allowance for doubtful accounts receivable and accrued interest to be paid back.

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

In Q3/2016 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 8.10 million baht, decreased from the same quarter of previous year by 127.35 million baht, or 94.02% lower.

### **Financial cost**

In Q3/2016 the company and its subsidiaries had the financial cost amounted to 28.27 million baht, while in Q3/2015 amounted 33.10 million baht, which is decreased by 4.83 million baht due to repayment to financial institution under the contract.

### **Net Profit**

In 2016 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 21.48 million baht, decreased from the previous year by 112.72 million baht and the basic loss per share in 2016 equaled to 0.67 baht while in Q3/2015 had the earning per share equaled to 2.85 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)

Deputy Managing Director