

15 May 2014

**SUBJECT** : Submit the reviewed financial statements and clarify the result of first quarter ended 31 March 2014

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

**Attachment** : The reviewed financial statements for the first quarter ended 31 March 2014 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the first quarter period ended 31 March 2014 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 decrease in net result for the first quarter period of the year 2014 as follows:

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

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

In 2013 the company and subsidiaries had total revenue of 323.19 million baht, a decrease of 23.77 million baht, or 6.85% caused by the decline of the hotel business while the revenue from leasing business had slightly increased. The company and its subsidiaries had generated 170.71 million baht revenue from the hotel business, decrease from the previous year by 27.55 million baht, or 13.90%, and the revenue from the space leased business totaled 152.48 million baht, an increase from the previous year by 3.78 million. It had the gross profit totaled 151.96 million baht, a decrease from the previous year by 18.29 million baht, or 10.75

In the first three months of 2014, the Company, ASIA Hotel Rajathevi has effected from political situation since the end of year 2013

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had has good expansion continuously following the economic conditions. Zeer Shopping Center Rangsit and Asia Hotel Cha-um , were not situated in the political demonstration areas, so they were not impacted. The company had income from leasing the space and service in 2013, increased from the previous year according to the space area and an increase from rentals and service according to the contractual conditions agreed with the customers:-

Statement of Comprehensive Income for the end  
31/3/2014

Unit : Million Baht	<u>Q1/2014</u>	<u>Q1/2013</u>	<u>Change</u>	<u>%</u>
<b>REVENUES</b>				
Income from hotel business	170,716,856.00	198,266,641.00	(27,549,785.00)	-13.90%
Rental and services income	152,475,535.00	148,698,534.00	3,777,001.00	2.54%
Total revenues	323,192,391.00	346,965,175.00	(23,772,784.00)	-6.85%
<b><u>COST OF SALES AND SERVICE</u></b>				
Cost of hotel business	106,440,771.00	107,748,713.00	(1,307,942.00)	-1.21%
Cost of rental and services	60,451,570.00	64,621,449.00	(4,169,879.00)	-6.45%
Amortized interest on land rental under financial lease	4,335,890.00	4,335,890.00	-	0.00%
Total cost of sales and services	171,228,231.00	176,706,052.00	(5,477,821.00)	-3.10%
Gross Profit	151,964,160.00	170,259,123.00	(18,294,963.00)	-10.75%
Other Income	15,383,505.00	15,315,256.00	68,249.00	0.45%
Selling and Administrative Expense	78,058,240.00	96,170,630.00	(18,112,390.00)	-18.83%
Profit before interest and tax	89,289,425.00	89,403,749.00	(114,324.00)	-0.13%
Finance cost	26,897,759.00	29,820,095.00	(2,922,336.00)	-9.80%
Income tax(expense) revenue	14,572,376.00	11,537,225.00	3,035,151.00	26.31%
Net profit (loss) for the period	47,819,290.00	48,046,429.00	(227,139.00)	-0.47%

In an analysis of the operation results for first quarter of year 2014 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:

**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 rooms in Q1/2013 totaled 108.09 million baht, decreased from the previous year by 13.704 million, or 11.28% lower. It was resulted from all the hotels had decreased occupancy rate except Asia Hotel Cha-um which has higher occupancy. The average rate of the four hotels in Q1/2014 equaled to 57.96% while the previous year had the average rate of occupancy equaled to 70.85%.

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2014	2013	2014	2013	2014	2013
<b>Revenue</b>						
Revenue from hotel business	111.41	125.22	59.30	73.04	170.71	198.26
Proportion of room : F&B	65.26%	63.16%	34.74%	36.84%	100.0%	100.0%
<b>Cost of sale</b>						
Cost ratio (Cost of Sale/ Revenue)	59.87	60.56	46.57	47.18	106.44	107.74
	53.74%	48.36%	78.53%	64.59%	62.35%	54.34%
<b>Gross Profit</b>						
GP margin (Gross profit/Revenue)	51.54	64.66	12.73	25.86	64.27	90.52
	46.26%	51.64%	21.47%	35.41%	37.65%	45.66%

## 2) Income from food and beverages

The company and its subsidiaries had the income from food and beverages from restaurants and banquets in Q1/2014 decreased 13.74 million baht from the previous year. The income from food and beverages from the restaurants would be in relation with the income from the guest rooms.

In the first quarter of 2014, Asia Hotel Bangkok was affected by the situation on the political demonstrations in Bangkok resulted in the postponement or cancellation of seminar groups, both private sector and government markets.

## 3) Income from rent and services

Income from rent and services came from the income from leasing space of Zeer Property and the subsidiaries in three places are at 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.

## Profit before the financial cost and the income tax

In Q1/2014 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 89.29 million baht, decreased from the previous year by 0.11 million baht, or 0.13% lower.

## Financial cost

In Q1/2014 the company and its subsidiaries had the financial cost amounted to 26.90 million baht, Q1/2013 amounted 29.82 million baht, decreased from the previous year by 2.92 million baht, which is resulted from their gradual repayment the loan to the financial institutions according to the conditions in the loan contract. So the paid interest was the main financial cost had gradually decreased according to the financial loans were reduced.

## **Net Profit**

In Q1/2014 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 45.78 million baht, decreased from the previous year by 0.87 million baht, or 1.86%, and the basic earning per share in 2014 equaled to 1.43 baht and in Q1/2013 had the profit per share equaled to 1.46 baht.

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

Best regards,

(Mr. Surapong Techaruvichit)

Managing Director