

14 August 2014

SUBJECT : Submit the reviewed financial statements and clarify the result of second quarter ended 30 June 2014

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the second quarter ended 30 June 2014 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the second quarter period ended 30 June 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 result of the second quarter period of the year 2014 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 269.41 million baht, a decrease of 40.46 million baht, or 13.06% caused by the affect from political situation from the end of year 2013 to the second quarter of year 2014 and effected the number of tourists declined. The company and its subsidiaries had generated 127.51 million baht revenue from the hotel business, decrease from the previous year by 35.78 million baht.

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had slightly affect. the revenue from the space leased business decreased from the previous year by 4.68 million or 3.20%.

Statement of Comprehensive Income for the end
30/6/2014

Unit : Million Baht	<u>Q2/2014</u>	<u>Q2/2013</u>	<u>Change</u>	<u>%</u>
REVENUES				
Income from hotel business	127,505,850.00	163,284,051.00	(35,778,201.00)	-21.91%
Rental and services income	141,900,678.00	146,587,095.00	(4,686,417.00)	-3.20%
Total revenues	269,406,528.00	309,871,146.00	(40,464,618.00)	-13.06%
<u>COST OF SALES AND SERVICE</u>				
Cost of hotel business	106,324,398.00	109,226,966.00	(2,902,568.00)	-2.66%
Cost of rental and services	67,307,162.00	62,063,440.00	5,243,722.00	8.45%
Amortized interest on land rental under financial lease	4,335,890.00	4,335,890.00	-	0.00%
Total cost of sales and services	177,967,450.00	175,626,296.00	2,341,154.00	1.33%
Gross Profit	91,439,078.00	134,244,850.00	(42,805,772.00)	-31.89%
Gain on fair value adj. on investment	34,471,884.00	48,420,255.00	(13,948,371.00)	-28.81%
Other Income	59,511,767.00	13,634,718.00	45,877,049.00	336.47%
Selling and Administrative Expense	23,774,812.00	50,258,083.00	(24,324,201.00)	-48.40%
Profit before interest and tax	161,647,917.00	146,041,740.00	27,395,493.00	18.76%
Finance cost	26,516,417.00	30,199,480.00	(3,683,063.00)	-12.20%
Income tax(expense) revenue	39,457,273.00	25,569,490.00	13,887,783.00	54.31%
Net profit (loss) for the period	95,674,227.00	90,272,770.00	5,401,457.00	5.98%

In an analysis of the operation results for second 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 Q2/2014 totaled 127.51 million baht, decreased from the previous year by 35.78 million, or 21.91% 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 Q2/2014 equaled to 42.79% while the previous year had the average rate of occupancy equaled to 65.28%.

Revenue from hotel Business of 6 months period in 2014 is 298.22 million baht, lower from the previous year 17.52% by room revenue decreased 36.02 million baht and food and beverage revenue is lower 26.09 million baht from the previous year.

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2014	2013	2014	2013	2014	2013
Revenue						
Revenue from hotel business	75.39	99.13	52.11	64.16	127.50	163.29
Proportion of room : F&B	59.13%	60.70%	40.87%	39.30%	100.0%	100.0%
Cost of sale						
Cost ratio (Cost of Sale/ Revenue)	62.47	63.56	43.85	45.66	106.31	109.22
	82.87%	64.12%	78.53%	71.17%	8338%	66.89%
Gross Profit						
GP margin (Gross profit/Revenue)	12.92	35.56	8.26	18.49	21.18	54.05
	17.14%	35.88%	15.86%	28.82%	33.02%	33.10%

2) Income from food and beverages

The company and its subsidiaries had the income of 52.11 million baht from food and beverages from restaurants and banquets in Q2/2014, a little decrease from the previous year. The income from food and beverages from the restaurants would be in relation with the income from the guest rooms.

The two quarter of the year 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 Q2/2014 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 161.64 million baht, increased from the previous year by 27.39 million baht, or 18.76% higher.

Financial cost

In Q2/2014 the company and its subsidiaries had the financial cost amounted to 26.52 million baht, Q2/2013 amounted 30.20 million baht, decreased from the previous year by 3.68 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 Q2/2014 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 89.69 million baht, increased from the previous year by 4.12 million baht and the basic earning per share in 2014 equaled to 2.80 baht and in Q2/2013 had the profit per share equaled to 2.67 baht higher than last year.

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

Best regards,

(Mr. Surapong Techaruvichit)

Managing Director