

14 November 2014

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

ATTN : The President
Stock Exchange of Thailand

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

Attached please find the reviewed financial statements for the third quarter period ended 30 September 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 third quarter, the company and subsidiaries had total revenue of 291.91 million baht, a decrease of 41.31 million baht, or 12.40% caused by the affect from political situation from the end of year 2013 to the third quarter of year 2014 and affected the number of tourists declined. The company and its subsidiaries had generated 150.38 million baht revenue from the hotel business, decrease from the previous year by 35.56 million baht or 19.13% lower.

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had slightly effect. The revenue from the space leased business decreased from the previous year by 5.75 million or 3.90%.

Income Statement for 3 the three months period ended September 30, 2014.

| Unit : Million Baht | Q3/2014 | Q3/2013 | Change | % |
|--|-----------------|----------------|-----------------|-----------|
| REVENUES | | | | |
| Income from hotel business | 150,381,114.00 | 185,946,055.00 | (35,564,941.00) | -19.13% |
| Rental and services income | 141,526,553.00 | 147,275,261.00 | (5,748,708.00) | -3.90% |
| Total revenues | 291,907,667.00 | 333,221,316.00 | (41,313,649.00) | -12.40% |
| COST OF SALES AND SERVICE | | | | |
| Cost of hotel business | 111,539,468.00 | 112,898,918.00 | (1,359,450.00) | -1.20% |
| Cost of rental and services | 75,891,648.00 | 87,074,578.00 | (11,182,930.00) | -12.84% |
| Total cost of sales and services | 187,431,116.00 | 199,973,496.00 | (12,542,380.00) | -6.27% |
| Gross Profit | 104,476,551.00 | 133,247,820.00 | (28,771,269.00) | -21.59% |
| Other income | 17,456,899.00 | 16,860,973.00 | 595,926.00 | 3.53% |
| Selling expenses | 9,902,106.00 | 10,912,458.00 | (1,010,352.00) | -9.26% |
| Administrative expenses | 45,745,380.00 | 41,347,236.00 | 4,398,144.00 | 10.64% |
| Management benefit expenses | 3,397,490.00 | 4,988,970.00 | (1,591,480.00) | -31.90% |
| Directors' remuneration | 589,858.00 | 669,609.00 | (79,751.00) | -11.91% |
| Reversal of provision for doubtful debt | (53,733,813.00) | (228,590.00) | (53,505,223.00) | 23406.63% |
| Loss on guarantee of other company | (10,272,678.00) | - | (10,272,678.00) | 100.00% |
| Total expenses on selling and administrative | (4,371,657.00) | 57,689,683.00 | (62,061,340.00) | -107.58% |
| Profit before interest and tax | 126,305,107.00 | 92,419,110.00 | 33,886,012.00 | 36.67% |
| Financial cost | 26,560,348.00 | 30,381,156.00 | (3,820,808.00) | -12.58% |
| Profit (loss) before income tax | 99,744,759.00 | 62,037,954.00 | 37,706,805.00 | 60.78% |
| Income tax (expense) revenue | 28,813,496.00 | 29,165,473.00 | (351,977.00) | -1.21% |
| Net profit (loss) for the period | 70,931,263.00 | 32,872,481.00 | 38,058,782.00 | 115.78% |

In an analysis of the operation results for third 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 Q3/2014 totaled 150.38 million baht, decreased from the previous year by 35.56million, or 19.13% lower. It was resulted from all the hotels had decreased occupancy rate. The average rate of the four hotels in Q3/2014 equaled to 48.77% while the third quarter of previous year had the average rate of occupancy equaled to 71.67%.

Revenue from hotel Business of 9 months period in 2014 is 448.60 million baht, lower from the same period of previous year for 18.06% by room revenue decreased for 36.02 million baht and food & beverage revenue decreased for 26.09 million baht from the same period of 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 | 83.26 | 112.61 | 67.12 | 73.34 | 150.38 | 185.95 |
| Proportion of room : F&B | 55.37% | 60.56% | 44.63% | 39.44% | 100.0% | 100.0% |
| Cost of sale | | | | | | |
| Cost ratio (Cost of Sale/ Revenue) | 61.92 | 63.04 | 49.62 | 49.86 | 111.54 | 112.90 |
| | 74.37% | 55.98% | 73.93% | 67.99% | 74.17% | 60.72% |
| Gross Profit | | | | | | |
| GP margin (Gross profit/Revenue) | 21.34 | 49.57 | 17.50 | 23.48 | 38.84 | 73.05 |
| | 25.63% | 44.02% | 26.07% | 32.01% | 28.28% | 39.28% |

2) Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q3/2014 decreased for 6.22 million baht from the previous year. In general, the income from food and beverages from the restaurants would be associated with the income from the guest rooms.

3) 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.

4) Other Revenue

Other revenue consisted of the profit from received interest, cost of laundry, telephone, other costs collected from customers and miscellaneous things as well as dividends from the subsidiaries (Realized from the consolidated profit and loss account from the parent company only).

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 2014 the company and its subsidiaries has the cost of sale and service for 187.43 million baht, decreased from the previous year by 12.54 million baht, or 6.27% lower. The company has gross profit margin in 2014 for 35.79% of revenue from the operations, while the previous year had the gross profit of 39.99%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 3rd quarter of 2014 the company and its subsidiaries had the cost of room sale of 61.92 million baht, decreased from the previous year by 1.12 million baht, or 0.78%, with the cost ratio for room sale in Q3 of 2014 and 2013 for 61.92% and 63.04%. The gross profit margin for Q3 of 2014 and 2013 equaled to 25.63% and 44.02% respectively.

Cost of food sale and beverages

In 3rd quarter of 2014 the company and its subsidiaries had the cost of food and beverage sale of 49.62 million baht, or decreased by 0.24 million baht, or 0.48% decreased from the previous year. They had the ratio of the cost of food and beverage sale for 2014 and 2013 equaled to 73.93% and 67.99% and the gross profit margin for 2014 and 2013 equaled to 26.07% and 32.01% respectively. It can be seen that the ratio of the cost of food and beverage sale increased from the previous year a little due to the cost of the fresh foods and the cost of operations increased higher.

b) Cost of rental and service

In 3rd quarter of 2014, the company and its subsidiaries had the cost of rent and service of 75.89million baht, or reduced by 11.18 million baht, or decreased by 12.84% from the previous year due to depreciation cost and reduced operations. And the gross profit margin for 2014 and 2013 equaled to 46.38% and 40.88% respectively.

Expenses on the sale, administration and others

In 3rd quarter 2014, the company and its subsidiaries had the expense on sale and service and other expenses totaled 4.37 million baht, decreased from the year before by 62.06 million baht, or 107.58%. It has details on the increase or decrease from the previous year on the expense of each type as follows:

- Expense on sale in 2014 amounted to 9.90 million baht, decreased from the previous year by 1.01 million baht, or 9.26% decreased.
- Expense on administration cost in 2014 amounted to 45.75 million baht, increased by 4.39 million baht, or 10.64% higher.
- Compensation for the management in 2014 amounted to 3.39 million baht, decreased from the previous year by 1.59 million baht, or 31.90% decreased.
- Compensation for the directors in 2014 amounted to 0.59 million baht, decreased from the previous year by 0.08 million baht, or 11.91% decreased.
- In 2014 had a transfer on the reversal of provision for doubtful debts - net of 53.73 million baht while in the previous year had a transfer on the reversal of provision for doubtful debts of 0.22 million baht.

Profit before the financial cost and the income tax

In Q3/2014 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 126.31 million baht, increased from the same quarter of previous year by 33.89 million baht, or 36.67% higher.

Financial cost

In Q3/2014 the company and its subsidiaries had the financial cost amounted to 26.56 million baht, while in Q3/2013 amounted 30.38 million baht, which is decreased by 3.82 million baht. The result is 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 Q3/2014 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 66.82 million baht, increased from the previous year by 37.86 million baht and the basic earning per share in 2014 equaled to 2.09 baht while in Q3/2013 had the earning per share equaled to 0.90 baht.

According to the Board of Director Meeting No. 4/2014 of a subsidiary held on October 8, 2014, the board had a resolution to approve the change in the subsidiary's accounting treatment on the fixed assets from applying the Thai Accounting Standard No. 40 "Investment Property" to applying Thai Accounting Standard No. 16 "Property, Plant and Equipment" and restate the financial statements which resulted to the alteration of consolidated financial statements of the whole company. This is to conform to the nature of the business and to present the information for the better decision making.

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

Best regards,

(Mrs. Pornpun Tanariyakul)
Deputy Managing Director