

14 May 2015

SUBJECT : Submit the reviewed financial statements and clarify the result of first quarter ended 31 March 2015

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the first quarter ended 31 March 2015 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the reviewed financial statements for the first quarter period ended 31 March 2015 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 2015 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 361.55 million baht, an increase of 38.36 million baht, or 11.87% caused by the affect from political situation from the end of year 2013 to the second quarter of year 2014 and affected the number of tourists declined. In this quarter, It become to normal situation, the company and its subsidiaries had generated 207.72 million baht revenue from the hotel business, increased from the previous year by 37 million baht.

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 increased from the previous year by 1.36 million or 0.89%.

Income Statement for the three months period ended March 31 , 2015

Unit : Million Baht	Q 1/2015	Q 1/2014	Change	
			Amount	%
Revenu				
Income from hotel business	207.72	170.72	37.00	21.67%
Rental and service income	153.83	152.47	1.36	0.89%
Total Revenue	361.55	323.19	38.36	11.87%
Cost of hotel business	113.57	104.61	8.96	8.57%
Cost of rental and service	78.54	75.32	3.22	4.28%
Total cost of sales and service	192.11	179.93	12.18	6.77%
Gross Profit	169.44	143.26	26.18	18.27%
Other Income	25.77	22.39	3.38	15.10%
Selling expenses	20.19	10.29	9.90	96.21%
Administrative expenses	45.25	42.59	2.66	6.25%
Management benefit expenses	3.63	3.59	0.04	1.11%
Director ' remuneration	0.59	0.72	(0.13)	-18.06%
Reversal of provision for doubtful debt	0.42	6.55	(6.13)	-93.59%
Loss on guarantee of other company	-	13.87	(13.87)	100.00%
Total expenses on selling and administrative	70.08	77.61	(7.53)	-9.70%
Profit before interest and tax	125.13	88.04	37.09	42.13%
Financial cost	24.49	26.90	(2.41)	-8.96%
profit (loss) before income tax	100.64	61.14	39.50	64.61%
Income tax (expense) revenue	21.66	11.64	10.02	86.08%
Net profit (loss) for the period	78.98	49.50	29.48	59.56%

In an analysis of the operation results for the first quarter of year 2015 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 Q1/2015 totaled 126.99 million baht, increased from the previous year by 15.58 million, or 13.58% higher. It was resulted from all the hotels had increased occupancy rate. The average rate of the four hotels in Q1/2015 equaled to 74.39% while the first quarter of previous year had the average rate of occupancy equaled to 57.96%.

However, the average room rate of the four hotels in Q1/2015 equaled to 1,222 baht , decreased from the previous year while the first quarter of previous year had the average room rate equaled to 1,384 baht.

Revenue from hotel Business of 3 months period in 2015 is 207.72 million baht, higher from the same period of previous year for 21.67% by room revenue increased for 15.18 million baht and food & beverage revenue increased for 21.82 million baht from the same period of previous year.

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	Q1/2015	Q1/2014	Q1/2015	Q1/2014	Q1/2015	Q1/2014
Revenue						
Revenue from hotel business	126.99	111.81	80.73	58.91	207.72	170.72
Proportion of room : F&B	61.1%	65.5%	38.9%	34.5%	100.0%	100.0%
Cost of sale						
Cost ratio (Cost of Sale/ Revenue)	64.20	58.04	49.37	46.57	113.57	104.61
	50.56%	51.91%	61.15%	79.05%	54.67%	61.28%
Gross Profit						
GP margin (Gross profit/Revenue)	62.79	53.77	31.36	12.34	94.15	66.11
	49.44%	48.09%	38.85%	20.95%	45.33%	38.72%

2) Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in Q1/2015 equaled to 80.73 million baht, increased for 21.82 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 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 2015 the company and its subsidiaries has the cost of sale and service for 192.11 million baht, increased from the previous year by 12.18 million baht, or 6.77% higher. The company has gross profit margin in 2015 for 46.86% of revenue from the operations, while the previous year had the gross profit of 44.33%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 1st quarter of 2015 the company and its subsidiaries had the cost of room sale of 64.20 million baht, increased from the previous year by 6.16 million baht, or 10.61% higher, with the cost ratio for room sale in Q1 of 2015 and 2014 for 50.56% and 51.91%. The gross profit margin for Q1 of 2015 and 2014 equaled to 49.44% and 48.09% respectively.

Cost of food sale and beverages

In 1st quarter of 2015 the company and its subsidiaries had the cost of food and beverage sale of 49.37 million baht, or increased by 2.80 million baht, or 6.01% increased from the previous year. They had the ratio of the cost of food and beverage sale for 2015 and 2014 equaled to 61.15% and 79.05% and the gross profit margin for 2015 and 2014 equaled to 38.85% and 20.95% respectively. It can be seen that the ratio of the cost of food and beverage sale decreased from the previous year it shows that the company can make higher profit from previous year.

b) Cost of rental and service

In 1st quarter of 2015, the company and its subsidiaries had the cost of rent and service of 78.54 million baht, or increased by 3.22 million baht or 4.28% higher from the previous year. The gross profit margin for 2015 and 2014 equaled to 48.94% and 50.60% respectively.

Expenses on the sale, administration and others

In 1st quarter 2015, the company and its subsidiaries had the expense on sale and service and other expenses totaled 70.08 million baht, decreased from the year before by 7.53 million

baht, or 9.70%. It has details on the increase or decrease from the previous year on the expense of each type as follows:

- Expense on sale in 2015 amounted to 20.19 million baht, increased from the previous year by 9.90 million baht, or 96.21% higher.
- Expense on administration cost in 2015 amounted to 45.25 million baht, increased by 2.66 million baht, or 6.25% higher.
- Compensation for the management in 2015 amounted to 3.63 million baht, increased from the previous year by 0.04 million baht, or 1.11% higher.
- Compensation for the directors in 2015 amounted to 0.59 million baht, decreased from the previous year by 0.13 million baht, or 18.06% lower.
- In 2015 The Company had a the reversal of provision for doubtful debts of 0.42 million baht while in the previous year had the reversal of provision for doubtful debts of 6.55 million baht.

Profit before the financial cost and the income tax

In Q1/2015 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 125.13 million baht, increased from the same quarter of previous year by 37.09 million baht, or 42.13% higher.

Financial cost

In Q1/2015 the company and its subsidiaries had the financial cost amounted to 24.49 million baht, while in Q1/2014 amounted 26.90 million baht, which is decreased by 2.41 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 2015 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 76.37 million baht, increased from the previous year by 29.25 million baht and the basic earning per share in 2015 equaled to 2.39 baht while in Q1/2014 had the earning per share equaled to 1.47 baht.

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

Best regards,

(Dr. Amorn Techaruvichit)

Vice Chairman