

29 February 2016

SUBJECT : Submit the audited financial statements and clarify the 2015 fiscal year end result

ATTN : The President
Stock Exchange of Thailand

Attachment : The reviewed financial statements for the second quarter ended 30 September 2015 of Asia Hotel Public Company Limited and its subsidiaries

Attached please find the audited financial statements for the year ended 31 December 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 year 2015 as follows:

Analysis and explanations by the management

Overall picture of the business operations

In the year 2015, the company and subsidiaries had total revenue of 1,364.72 million baht (in the year 2014 had total revenue of 1,211.25 million baht), an increase of 53.47 million baht, or 12.67% from last year, consist of revenue from hotel business increased 19.77% from last year and revenue from rental and service increased 5.01% caused by the affect from political situation in the first quarter of year 2014 and affected the number of tourists declined, public customer request to cancel and postpone. However, it become to normal situation in the year 2015 and affected the number of tourists increased. The company and its subsidiaries had total gross profit 518.80 million baht, increase from the previous year by 59.87 million baht or 13.05% higher, and had net profit (the net worth of the parent company) amount to 361.07 million baht, increased from last year 161.04 million baht, higher 80.50%

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had total revenue of 611.69 million baht in the year 2015, an increase of 29.16 million baht or 5.01% from last year, caused by new shopping center project “The Hub” which was opened in the mid year 2015.

Income Statement for year ended December 31 , 2015

Unit : Million Baht	2015	2014	Change	
			Amount	%
Revenue				
Income from hotel business	753.03	628.72	124.31	19.77%
Rental and service income	611.69	582.53	29.16	5.01%
Total Revenue	1,364.72	1,211.25	153.47	12.67%
Cost of hotel business	472.44	437.59	34.85	7.96%
Cost of rental and service	373.48	314.73	58.75	18.67%
Total cost of sales and service	845.92	752.32	93.60	12.44%
Gross Profit	518.80	458.93	59.87	13.05%
Other Income	88.69	114.87	(26.18)	-22.79%
Selling expenses	84.68	43.55	41.13	94.44%
Administrative expenses	183.72	175.18	8.54	4.87%
Management benefit expenses	14.52	13.78	0.74	5.37%
Director ' remuneration	3.25	3.48	(0.23)	-6.61%
Reversal of provision for doubtful debt	(209.35)	(74.55)	(134.80)	180.82%
Loss on guarantee of other company		3.60	(3.60)	0.00%
Total expenses on selling and administrative	76.82	165.04	(88.22)	-53.45%
Profit before interest and tax	530.67	408.76	121.91	29.82%
Financial cost	113.26	105.77	7.49	7.08%
profit (loss) before income tax	417.41	302.99	114.42	37.76%
Income tax (expense) revenue	49.22	91.10	(41.88)	-45.97%
Net profit (loss) for the period	368.19	211.89	156.30	73.76%

In an analysis of the operation results for the 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:

Revenue from the hotel business

The company and its subsidiaries had revenue from the total hotel business for 2015 in the amount of 753.03 million baht, an increase from the previous year by 124.31 million baht, up by

19.77%. The revenue from the hotel business consisted of income from rooms and serviced apartments and income from the cost of food and beverages, which was the cause of increase or decrease of the revenue of each type as follows:

Details on Revenue from Hotel Business						
Unit Million Baht	Room		Food & Beverage		Total Hotel Business	
	2015	2014	2015	2014	2015	2014
Revenue						
Revenue from hotel business	433.07	377.26	319.95	251.46	753.02	628.72
Proportion of Room : F&B	57.5%	60.0%	42.5%	40.0%	100.0%	100.0%
Cost of Sale	270.80	246.54	201.63	191.05	472.43	437.59
Cost Ratio(Cost of Sale / Revenue)	62.53%	65.35%	63.02%	75.98%	62.74%	69.60%
Gross Profit	162.27	130.72	118.32	60.41	280.59	191.13
GP Margin(Gross profit / Revenue)	37.47%	34.65%	36.98%	24.02%	37.26%	30.40%

a) 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 the year 2015 totaled 433.07 million baht, increased from the previous year by 55.81 million baht, or 14.79% higher. It was resulted from all the hotels had increased occupancy rate with the average rate of the four hotels in 2015 equaled to 66.22%. While the previous year had the average rate of occupancy equaled to 53.39%. The hotel had the rate of occupancy in 2015 was highest was in Asia Pattaya Hotel, Pattaya beach. While the hotel with the least occupancy in 2015 was in Asia Hotel Cha-um due to its last opening, so it takes some time to build up the customer base.

However, the average room rate of the four hotels in 2015 decreased from the previous year a little with the average room rate in 2015 equaled to 1,171.43 baht. While in the previous year had the average room rate equaled to 1,253.01 baht.

Other than the revenue from the guest rooms in the hotels as mentioned above Asia Airport Hotel, which is a subsidiary also had incomes from serviced apartments, a long-term rent of rooms with the same service as a hotel. This revenue is not much compared with the room income of the hotels. In 2015 it had the revenue from the serviced apartments was 5.42 million, or about 5.21% of the guest room income of Asia Airport Hotel Rangsit.

b) Income from food and beverages

The company and its subsidiaries had the income of food and beverages from restaurants and banquets in 2015 amounted to 319.95 million baht, in 2014 amounted to 251.46 million baht, increased 68.49 million baht from the previous year or 27.23%. They had the ratio of the room to income from food and beverage in 2015 was 57.5:42.5 which is near the same thing in 2014, or 60:40.

The income from food and beverages would consist of income from the restaurants in the hotel and from the banquets. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms. That is, if there are the more hotel guests, the more income from food and beverages to follow. In 2015 the income from restaurants grew continuously, while income from the banquets depended on marketing to have customers to hold a meeting, seminar or banquet. In year 2015, they had income from banquets increased from the previous year amount 19.57 million baht or 14%

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.

The leasing business of the company had higher revenue in 2015. The company and its subsidiaries had income from rent and service amounted to 611.69 million baht, increased above the previous year by 29.16 million baht, or 5.01% higher.

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 2015 the company and its subsidiaries has the cost of sale and service for 845.92 million baht, increased from the previous year by 93.60 million baht, or 12.44% higher. The company has gross profit margin in 2015 for 38.01% of revenue from the operations, while the previous year had the gross profit of 37.88%. The cost of sale and service can be classified as following:

a) Cost of room sale

In 2015 the company and its subsidiaries had the cost of room sale of 270.8 million baht, increased from the previous year by 24.26 million baht, or 9.84% higher, with the cost ratio for room sale in 2015 and 2014 for 62.53% and 65.35%. The gross profit margin for 2015 and 2014 equaled to 37.47% and 34.65% respectively.

Cost of food sale and beverages

In 2015 the company and its subsidiaries had the cost of food and beverage sale of 201.63 million baht, or increased by 10.58 million baht, or 5.53% from the previous year. They had the ratio of the cost of food and beverage sale for 2015 and 2014 equaled to 63.02% and 75.98% and the gross profit margin for 2015 and 2014 equaled to 36.98% and 24.02% respectively. It can be seen that the ratio of the profit margin increased from the previous year.

b) Cost of rental and service

In 2015, the company and its subsidiaries had the cost of rent and service of 373.48 million baht, in 2014 amounted to 314.73 million baht, increased by 58.75 million baht or 18.67% higher from the previous year due to depreciation cost and increased operations cost, resulting cost ratio for 2015 and 2014 equaled to 61.05% and 54.02% respectively. The gross profit margin for 2015 and 2014 equaled to 38.94% and 45.97% respectively.

Expenses on the sale, administration and others

In 2015, the company and its subsidiaries had the expense on sale and service and other expenses totaled 76.82 million baht, decreased from the previous year by 88.22 million baht, or 53.45% which resulted from the revenue from the operations increased and the business expansion of the space rent. 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 84.68 million baht, increased from the previous year by 41.13 million baht, or 94.44% higher.
- Expense on administration cost in 2015 amounted to 183.72 million baht, increased by 8.54 million baht, or 4.87% higher.
- Compensation for the management in 2015 amounted to 14.52 million baht, increased from the previous year by 0.74 million baht, or 5.37% higher.
- Compensation for the directors in 2015 amounted to 3.25 million baht, decreased from the previous year by 0.23 million baht, or 6.61% lower.

- In 2015 The Company had the reversal of provision for doubtful debts of 209.35 million baht while in the previous year had the reversal of provision for doubtful debts of 74.55 million baht due to the company has received the entire amount from the debtor.

Profit before the financial cost and the income tax

In 2015 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 530.67 million baht, while in 2014 amounted to 408.76 million baht, increased from the previous year by 121.91 million baht, or 29.82% higher.

Financial cost

In 2015 the company and its subsidiaries had the financial cost amounted to 113.26 million baht, increased from the previous year by 7.49 million baht or 7.08% higher. The result is from a subsidiary company making loan agreement from the financial institute to investing in new Project, “The Hub” Shopping Center.

Net Profit and Tax Expense

In 2015 the company and its subsidiaries had the EBIT totaled 417.41 million baht, or increased from the previous year of 114.42 million baht, or 37.76% higher, and the company incurred a tax expense in 2015 totaled 49.22 million baht, decreased from the previous year by 41.88 million, or 45.97% lower. The company and its subsidiaries had a net profit (net worth of the parent company) totaled 361.07 million baht, increased from the previous year by 161.04 million baht or 80.50% and the basic earning per share in 2015 equaled to 11.28 baht while in 2014 had the earning per share equaled to 6.25 baht.

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

Best regards,

(Mrs. Pornpun Tanariyakul)

Deputy Managing Director