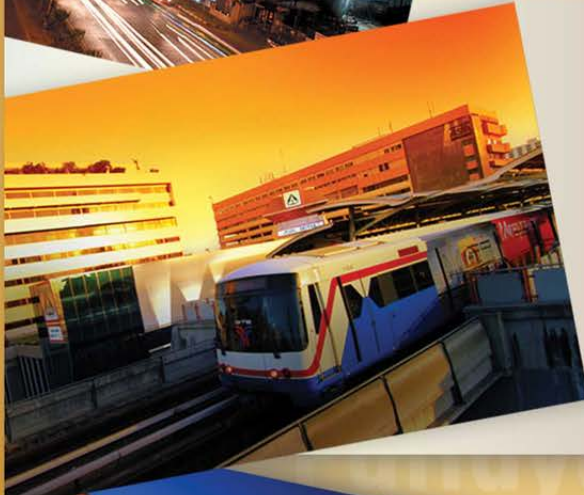




ASIA HOTEL GROUP
BANGKOK - PATTAYA - AIRPORT - CHA AM



Cha am Pattaya Airport
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ANNUAL REPORT 2013

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ASIA HOTEL BANGKOK



ASIA HOTEL AIRPORT



ZEER STREET



ASIA HOTEL PATTAYA



ASIA HOTEL CHA AM



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CHAIRMAN OF THE BOARD

Message from Managing Director

During 2013, Thailand was favorable among foreign tourists. The number of tourists was up to 26.74 million people which was 19.60 percent higher than the previous year. A continuous growth of tourism, which was about 23 percent, between January and September was the main reason for an increasing number of tourists in 2013. However, the law enforcement of tourism in China that has been regulated in October lead to a decline of Chinese tourist growth rate from 103 percent in September to 17 percent in October. The political situation of Thailand in which the government was declaring an emergency decree also significantly affected the number of tourists especially in the last quarter of 2013 and the first quarter of 2014. It influenced the tourists about security concerns especially in Bangkok. Nevertheless, the number of tourists is expected to be normal again if the political situation in Thailand is relieved. The government should enhance tourism surroundings to attract both Thai and foreign tourists in the purpose to raise income of the country to develop the economy of the country.

In early 2013, Asia Hotel Rajchathewi had the room occupancy rate more than 70 percent. Even though our employees are exhausted of hard work, they always prepared to sincerely give a warm welcome to the customers. In late 2013, the political situation affected the number of customers. Luckily, the influence was not as much as it had been predicted since many customers had already booked the hotel before the political rally occurred. Because Asia Pattaya Hotel's and Asia Airport Hotel's location were far from an area of political rally, two of these did not receive any major effects from the political situation. However, since the rally has continued, Asia Pattaya Hotel and Asia Airport Hotel started to receive effects from the political situation as well. In 2013, the company and its subsidiaries had income of 730.58 million baht from the hotel business and 585.64 million baht from the area subcontracting business which is a total of 1,316.22 million baht. The income was increasing from the previous year for 161.53 million baht or 13.99 percent. The company and its subsidiaries had a net profit of 499.25 million baht; 86.88 million baht came from the profits of normal business operations and 412.37 million baht came from the fair value adjustment of real estate property from subsidiary company investment. Compared to the previous year, the company and its subsidiaries had higher turnover which was 340.07 million baht or 213.64 percent.

The area subcontracting business of the company had Zeer Property Public Co., Ltd. as its subsidiary, which operate Zeer Rangsit. The project of new building construction connecting to the original building, which was valued around 1 billion baht was currently in progress. This project was expected to be completed in 2014 together with dormitory construction project to accommodate the growth of nearby community which would allow the expansion of operation turnover.

In 2013, the company also emphasized on social responsibility, and stakeholders, with a realization that every people, community, and environment is crucial to the company. Because of this, the company decided to enter Green Hotel project, named as "Green ASIA Hotel", which mainly considers the principle of companionship between the business and environment to create a pleasant workplace, supervise the efficient use of resource, and avoid being social burden in the future. The company has awareness that the company's growing must be permanent, therefore the company should be responsible, and perform the activities together to create friendship and generosity between people and for everyone to live together gladly.

Finally, the Company hopes that in 2014 we will be ready to cope with any obstacles, crises and problems so that the business goal can be met. We will always be ready to provide the best services to clients, give appropriate return to shareholders and perform activities that pay back benefits to society and environment. However, a key to success is the cooperation of all employees in every level, patronizing clients and shareholders. I, on behalf of the Board of Directors, would like to thank you very much for your good cooperation and support all the time to the Company.



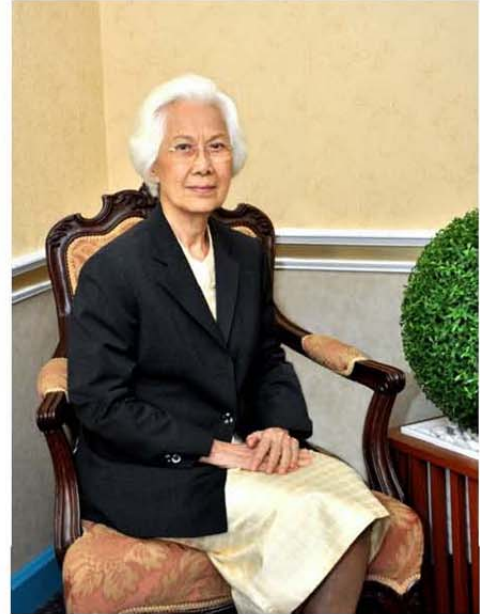
Surapong Techaruvichit

Managing director

BOARD OF DIRECTOR



นายกำพล เตชะหฐูวิจิตต์
MR. KUMPOL TECHARUVICHIT
ประธานกรรมการ
CHAIRMAN OF THE BOARD
(ถึงแก่กรรม เมื่อ 16 ธันวาคม 2556)



นางสุวิมล เตชะหฐูวิจิตต์
MRS. SUVIMOL TECHARUVICHIT
กรรมการ
DIRECTOR



นายอมร เตชะหฐูวิจิตต์
MR. AMORN TECHARUVICHIT
รองประธานกรรมการ
VICE CHAIRMAN



นายสุรพงษ์ เตชะหฐูวิจิตต์
MR. SURAPONG TECHARUVICHIT
กรรมการผู้อำนวยการ
MANAGING DIRECTOR



นายสมบัติ ผู้พิพัฒน์ศิริกุล
MR. SOMBUT PUIPATHIRUNKUL
กรรมการ (กรรมการอิสระ)
DIRECTOR (INDEPENDENT DIRECTOR)



นายปิยะวุดม เสนาภูพิทักษ์
MR. PIYAWUDH SENAPOOPITAKSA
กรรมการ (กรรมการอิสระ)
DIRECTOR (INDEPENDENT DIRECTOR)



นายสุวัฒน์ ดุสิตโรจนวงศ์
MR. SUWAT DUSITROJANAWONGSE
กรรมการ (กรรมการอิสระ)
DIRECTOR (INDEPENDENT DIRECTOR)



นางพรพรรณ ตันนธิยกุล
MRS. PORNPUN TANARIYAKUL
กรรมการ
DIRECTOR



ดร.โชติมา พัวศิริ
DR. CHOTIMA PUASIRI
กรรมการ (กรรมการอิสระ)
DIRECTOR (INDEPENDENT DIRECTOR)



Bangkok

Pattaya

Airport

Cha am

1. Policy and the Overall picture of the business operation

The Company: Asia Hotel Public Company limited (ASIA)
Business Type: There are two types of the business including Hotel and restaurant business and area sub-contracting business.

Hotel and Restaurant Business

Including the Asia Hotel Public Company Limited that manages “ASIA” located at Phayathai Road, Ratchathevi, Bangkok.

Asia Pattaya Hotel Company Limited (AP), a subsidiary company that manages “AP” located at Phra Tamnak Hill, Pattaya, Chonburi.

Asia Airport Hotel Company Limited (AA), a subsidiary company that manages “Asia Airport Hotel” located at Zeer Rangsit Building, Phaholyothin Roadside, Lamlukka District, Pathumthani and Asia Cha-am Hotel located at Cha-am seaside, Petchaburi Province.

Area Subleasing Business

Includes the Zeer Property Public Company Limited (ZP), a subsidiary company that manages “Zeer Rangsit Shopping Center” located at Phaholyothin Road, Lamlukka District, Pathumthani. ZP has other 2 subsidiary companies running real estate business includes Zeer Asset Company Limited (ZA) and ZEER OVERSEA LLC (ZO) running the shopping center business at San Francisco, USA.

1.1 Vision

The Company Policy on the hotel and restaurant business is to maintain the standard for a four star level, emphasize on providing the impress service to every level of clients with responsible for social and environment, continuously improve and develop knowledge and give precedence to all stakeholder groups for sustainable business success.

Hotel and Restaurant Business: the objective is to support targeted clients at business location of each hotel including:

Asia Hotel, Rajathevee: it was established in 1966. It is well known and popular for several years because it is located near high-end shopping centers such as Siam Paragon, Siam Center, Siam Discovery and Marboonkrong Shopping Center where you will find various stores for wholesale or retail, IT products at high price or second hand price. The Hotel building is also connected to the BTS at “Ratchathevi Station” making it most convenient and safe for tourist who traveling alone or with tourist group, clients who join catering and seminar or get dining service at the restaurant in the hotel.

Asia Airport Hotel: it is located at Zeer Rangsit Shopping Center, Pathumthani. It has catering, seminar and hotel rooms for tourists who use Donmuang Airport and support client groups locating at the northern area of Bangkok and all neighboring Provinces with continuously high economic growth.

Asia Pattaya Hotel: It is located at Phra Tamnak Hill with more than 44 Rai of the land. Its environment is peace and adjacent to beautiful seaside and beach making guests feel relaxed. It has meeting rooms for seminar market which are pleasing both foreign and Thai clients.

Asia Cha-am Hotel: It is located near Cha-am Beach, Petchburi Province. It supports Foreign and Thai clients who want relaxation. It is convenient, rustic and not far away from Hua Hin, a new tourist attraction opened nearby. It has meeting rooms for seminar market which are pleasing both foreign and Thai clients.

Area Subcontracting Business (Real Estate): the objective is to develop communities locating at the northern area of Bangkok and all neighboring Provinces. It has facilities such as a large shopping center located on of more than 88 Rai of the land. Currently, it is promoted to be IT Shopping Center under the name of “Zeer Rangsit IT Shopping Center”. In 2013-2014, an additional Project of “Zeer Street Shopping Center” is expanded. The Building is built connectedly with the previous building for creating a Shopping Center for wholesale and retail clothes. It is expected to be established successfully in 2015. And it has also a project of 11 dormitory buildings for worker groups at

neighboring area are able to rent a room at reasonable price. Moreover, in 2011, an economic crisis in United State of America provided an opportunity to ZO, a subsidiary of ZP running a small shopping center business at San Francisco City, USA, to expand the investment on real estate in foreign country, always earn rental fee.

1.2 Important Changes and Developments

History of the Company and Subsidiaries: The Company has disclosed the history in 56-1 Form of 2013, subtitle 1.2 as shown in the website of the Company: www.asiahotel.co.th, www.sec.or.th, and www.set.or.th

Important Changes over the Past Year

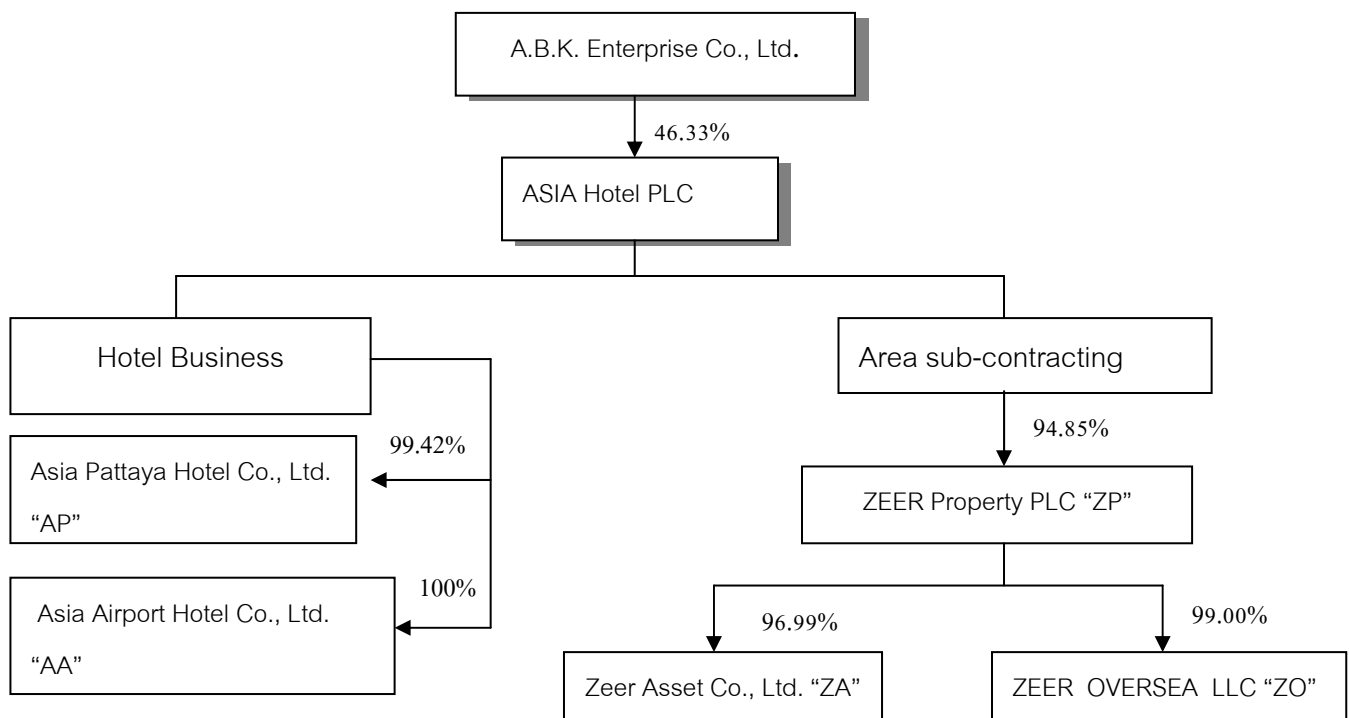
- On August 2013, the Shareholder's Meeting No.1/2013, held on 16th August 2013, ZO, a subsidiary of the ZP, has a resolution to increase the capital of USD5.66 Million for settling debts to ZP. And at the Board of Director's Meeting No. 6/2013 held on 16th September 2013, ZP has a resolution to approve the increase of capital in ZO, a subsidiary, by debt-equity swap. From the beginning, ZP provided a loan of USD 6.2 Million to ZO, which the debts remain outstanding of USD5.66 Million, resulting ZO has capital of USD 5,760,000 and ZP invested a total of USD 5,754,000 which increased the proportion of shares from 94% to 99.90% to enhance the potential for expansion of ZO business in the future.

- On 16th December 2013, Mr. Kumpol Techaruvichit, the Chairman and Managing Director who was a founder and an executive of ASIA Hotel Group, has passed away. The Company did not change any authorizations until 18th February 2014, the Company appointed Mr. Surapong Techaruvichit as a Managing Director of the ASIA Hotel Group, while searching independent directors to be the Chairman of the Board of Directors.

Overall Picture of the Operating Results of the Company Group

There are currently 2 business groups of the Company: Hotel and Restaurant business and Area Sub-contracting Business. The businesses are operated by the companies in the Group as follows:

Shareholding Structure of the Company Group As At 31st December 2013



Relation with the Company Group of Major Shareholders

A.B.K. Enterprise Company Limited (ABK) is a Holding Company held Asia Hotel Public Company Limited (ASIA) shares of 46.33% and got income from dividend provided by ASIA only not from any other business that might cause the conflict or necessary dependence. The ABK shares held by Techaruvichit Group who is executive of ASIA of 33.53% and others held 66.47% shares. Therefore, as at 31st December 2013, Techaruvichit Group who is current executive of ASIA directly held 14.49% shares and indirectly held shares through ABK. The total shares held directly and indirectly in ASIA of 61.94%

The separation of operations Policy between Asia Hotel Group and Zeer Group

As the resolution of the AGM no.48 on 9 April 2010, adopt the policy of separation of operations between the Asia Hotel Public Co., Ltd. (ASIA) and its subsidiaries. The business comprises of hotel business operated by ASIA and its subsidiaries Asia Pattaya Hotel Co. Ltd. and Asia Airport Hotel Co., Ltd. The property development business operated by Zeer Property Public Co., Ltd. (ZEER) and its subsidiary Zeer Asset Co., Ltd. and Zeer Oversea LLC. For a clearer picture of the separation resulting the benefits from expansion of ZEER and affiliated companies of Asia Hotel Group in the future the management has reviewed in the said policy and made some amendments in AGM no.50 on 12 April 2012. Lately, the content and principle were amended and both company groups agreed on the contract of business separation on 15th August 2013 that the business will not compete to each other and can be summarized as follows:

Policy of Asia Hotel Group

(A) Definition

“Asia Hotel Group”	Asia Hotel Public Company Limited and 2 subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd. are in the same business.
“Zeer Group”	Zeer Property Public Company Limited. (subsidiary of Asia Hotel Public Company Limited.) and other 2 subsidiaries – Zeer Asset Co., Ltd. and Zeer Oversea LLC. are in the similar business.

(B) Policies of Asia Hotel Group

1) Business Operation Policy

1.1 Asia Hotel Group operates hotel business and apartment including the management service for hotel and service apartment by owning, renting or managing the property. The services rendered for the followings:

- Hotel, restaurants, banqueting and necessary facilities for tourists including marketing for the hotel.
- Service apartment which provides the same facilities as the hotel, but under the long term rental basis.
- Rendering management services for hotel and service apartment by making agreement with the property's owner regarding benefits in profit sharing basis or any other as agreed.

1.2 Asia Hotel Group operates the business as stated in 1.1 and will not engage in any property development business which will compete with Zeer Group.

2) Transaction Policy

Any transaction done by Asia Hotel Group with the related person, eg. Zeer Group, must follow the regulation of SET regarding the disclosure of information and procedures in the related items, year 2003 and amended in the capital market committee announcement, Tor Jor 21/2551 under the subject criteria in making list of related items.

Policy of Zeer Group

(A) Definition

- “Zeer Group” Zeer Property Public Company Limited. (subsidiary of Asia Hotel Public Company Limited.) and other 2 subsidiaries – Zeer Asset Co., Ltd. and Zeer Oversea LLC. are in the similar business.
- “Asia Hotel Group” Asia Hotel Public Company Limited and 2 subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Co., Ltd. are in the same business.

(B) Policies of Zeer Group

1) Business Operation Policy

- 1.1 ZEER Group operates a business in property development by investing in the shopping center and shopping mall as an owner or renter to develop and improve the construction and/or provide the management which will add value to the investment. The benefits from property development come in form of renting out the property or selling the business owned or the right of renting.
- 1.2 Zeer Group does not operate the hotel business or service apartment and will not engage in any business which will compete with Asia Group.

2) Transaction Policy

Any transaction done by Zeer Group with the related person, eg. Asia Group, must follow the regulation of SET regarding the disclosure of information and procedures in the related items, year 2003 and amended in the capital market committee announcement, Tor Jor 21/2551 under the subject criteria in making list of related items.

In case of any one does not comply with the agreement mentioning above:

- a) The objection informs an expostulation to the litigant in writing.
- b) The litigant must explain the objection within 30 days after being informed whether agreement is broken or not.
- c) If there are breaks of agreement, the divestiture of the litigant must be done within 180 days after being informed. Operation in accordance with announcement, regulation of related institute, and policies of the company must be followed.
- d) If the litigant does not comply with the agreement, the objection has a right to make a prosecution to the court in Bangkok. In addition, litigant's right of other related laws is not reserved.

2. Nature of Business

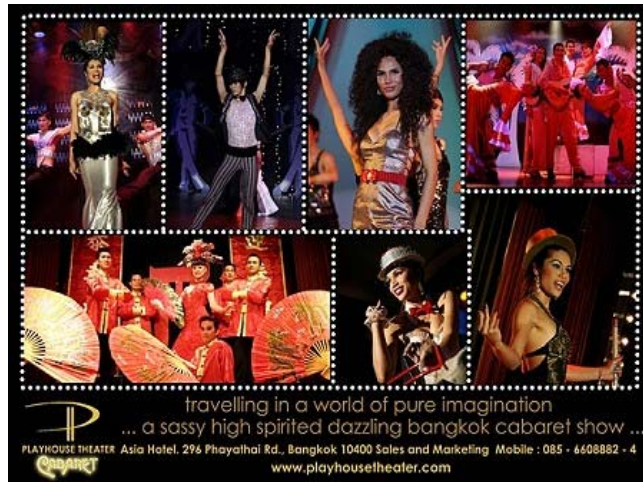
Asia Hotel Public Company Limited (ASIA) was engaged in hotel and restaurant business by operating under the trade name “Asia Hotel” which was founded in 1966. The company has also invested in other three hotel properties, one is Asia Pattaya Hotel , located Pattaya Beach Chonburi, two is “Asia Airport Hotel”, located at Lumluka district Pathumthani and another “Asia Cha-um Hotel” located Cha-um Beach, Petchaburi and the area rental business, IT Zeer Center, at Zeer Rangsit Shopping Complex, located at Lumluka Pathumthani and “Glendale Plaza” located Los Angeles, California, U.S.A. that run by its group of subsidiaries companies.

Types of Services

1) Asia Hotel Public Company Limited – “Asia Hotel”

Asia Hotel, operated by Asia Hotel Public Co., Ltd., comprises of one of 16 stories building, two of 11 stories building and 12 stories car-park building , venders the services pertaining accommodations, food and drinks as well as other related services. Asia Hotel is located on Phyathai Rd, .Rachathevi district, Bangkok, on 6-0-6 Rais plot of land. The hotel is ranked as a four-star hotel which offers hotel services as follows:

- 1.1) Accommodation with total 601 rooms , average room rate is between 1,500-2,700 Baht and occupancy rate is between 66.91-87.72% in the year 2013
- 1.2) Food and Beverage Services , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
 - 4 Restaurants and Coffee Shop, capacity 80-250 persons
 - 11 Banquet Rooms with the different sizes , for service customers such as seminar of government department and the private company , birthday party, wedding party , retirement party and etc. , there are 5 rooms with capacity 20-50 persons, 4 rooms with capacity 100-300 persons , 1 room with capacity 600 persons and 1 room with capacity 1,500 persons
- 1.3) Other services consist of:
 - Health club
 - Two swimming pools on the 5th and 12th floor
 - Shops for rent
 - Others services such as The Playhouse Show, Souvenir- Gift Shop, Fortune Teller, Internet Center, Executive Center



2) Asia Pattaya Hotel Company Limited

Asia Pattaya Hotel is a seven-storied building, located on 44-0-15.8 rais plot of land, is located in Pattaya, Bang Lamung District, Chonburi Province, providing three types of hotel and restaurant services as follows:

- 2.1) Accommodation with total 320 rooms, average room rate is between 1,400-2,500 Baht and occupancy rate is between 49.60-96.83% in the year 2013.
- 2.2) Food and Beverage Service , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
 - 5 Restaurants and Coffee Shop, capacity 50 - 200 persons and Poolside Bar
 - 6 Banquet Rooms with the different sizes , for service customers such as seminar of government department and the private company, there are 4 rooms with capacity 50-120 persons, 1 room with capacity 350 persons , 1 room with capacity 700 persons
- 2.3) Other Services consist of
 - Shop for rent
 - Beauty Salon
 - Health Club
 - Thai Massage – Foot Massage
 - Nine Hole Golf Course
 - Tennis Court
 - Swimming Pool
 - Internet Center



3) Asia Airport Hotel Co., Ltd.

Asia Airport Hotel is on 9th -18th floor of Zeer Rangsit Building, total space of 39,380 sq. meters, located on Phaholyothin Rd., Kukot, Lumluka Pathumthani, providing three types of hotel and restaurant services as follows:

- 3.1) Accommodation with total 482 rooms, consist of
 - Hotel 394 rooms, average room rate is between Baht 1,300 - 2,200 and Occupancy rate is between 36.50% - 73.10% in the year 2013
 - Service Apartment of 84 rooms, Average rental rate is between Baht 26,400 - 31,400 per month Occupancy rate is between 27% - 56% in the year 2013.
- 3.2) Food and Beverage Service, available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:
 - 1 Restaurant and Coffee Shop, capacity at 50 - 200 persons
 - 6 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 3 rooms with capacity 100-200 persons, 1 room with capacity of 150-300 persons, 1 room with capacity of 300-500 persons, 1 room with capacity of 500-800 persons
- 3.3) Other Services consist of
 - Beauty Salon
 - Swimming Pool



4) Asia Airport Hotel Co., Ltd. (Asia Hotel Cha-um)

Asia Airport Hotel Co., Ltd operated “Asia Cha-um Hotel” is located on 3-3-46 rais plot of land at Cha-Um beach, Petchaburi province , comprises of 17 stories building and 4 stories building , total of 3 buildings providing three types of hotel and restaurant services as follows:

4.1 Accommodation with total 214 rooms, First Opening in December 2010, average room rate is between Baht 1,400 - 2,500 and Occupancy rate is between 20.68% - 44.61% in the year 2013.

4.2 Food and Beverage Service, available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:

-1 Restaurant and Coffee Shop, capacity at 50 - 200 persons

-6 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 1 rooms with capacity 85-90 persons, 4 rooms with capacity of 100-200 persons, 1 room with capacity of 250-300 persons.

4.3 Other Services consist of Fitness, Sauna, Swimming Pool



5) Zeer Property Public Company Limited. (Zeer Rangsit Shopping Complex)

ZEER Property (Public) Co., Ltd. operates a business in developing and managing a shopping mall and developing real property on Vipavadee-Rangsit Road, Km. 28 – 29, Khukhot Subdistrict, Lumlukka District, Pathumthani Province. The company owns a large shopping complex, ZEER Rangsit Shopping Mall, which is classified as IT and electronic center. Within the complex there is a mixed-used development providing hotel, shopping center and serviced apartment. The building has the total area of 273,960 sq.m. (including shopping center, hotel and serviced apartment). The total space for rent is approximately 136,134 sq.m. (approximately 49% of the total construction area). For the space outside the building it has been rented out and arranged as fresh market and bazaar in front and around the building, total space of 4,900 sq.m.

It offers the area rental for subcontracting business for both long term and short term. The shopping complex includes 6 stories of Plaza and 12 stories tower for office space rental, Asia Airport Hotel and serviced apartment.

IT Zeer Center is a computer and electronic center with a fast growing potential. Part of it has been developed with a fast growing potential to a huge computer and electronic center under the name “IT Zeer Center”.

At the end of 2013 IT Zeer Center was occupied about 82% of the total area, starting from basement, 1st, 2nd and 3rd floor. Most of the shop renters sell computers and accessories. On 4th floor renters are the offices and stores and a part of 5th floor is utilized as function rooms of Asia Airport Hotel. 7th to 9th floor rented out for offices and 10th - 18th floor is the location of Asia Airport Hotel.

ZEER also invested in the real properties, both local and abroad.

1) Cha-am Hotel Project (local investment)

Zeer bought a land with hotel building located on Cha-Am beach, Petchburi province, and developed the hotel building to a 214-room hotel. The bid for rental fee and managing hotel business has been made and Asia Airport Hotel Co., Ltd., with the highest benefits offer and the tenant of ZEER, has been selected to operate the hotel business by using the name “Asia Cha-am Hotel”.

In year 2013, ZEER and Asia Airport Hotel extend the rental agreement through October 2016.

2) Shopping Center at Glendale Project (abroad investment)

ZEER OVERSEA LLC. “ZO” which is a subsidiary of the Zeer Property Public Company Limited (“ZEER”) has acquired the Land and Constructions of SHOPPING CENTER located at Glendale Boulevard, Los Angeles, California, USA.

The Glendale Shopping Center is on a plot of land around 0.80 acre (approx. 2 rais), consists of two buildings, the total rental space of 11,735 square feet and presently occupied about 100%. Most of clients have rented the space of more than 5 years.



**Major Revenues from Hotel and Restaurant Business and Subcontracting business
In past 3 years:**

Type of Business	Operated by	% of Share Held	2011		2012		2013	
			MB	%	MB	%	MB	%
- Hotel	Asia Hotel Public	Parent Company	140.17	15.53	179.23	15.52	224.87	17.08
- Restaurant	Company Limited	Listed Company	114.18	12.64	125.92	10.91	139.86	10.63
Total			254.35	28.17	305.15	26.43	364.73	27.71
- Hotel	Asia Pattaya Hotel	99.42%	70.83	7.84	85.17	7.37	99.56	7.56
- Restaurant	(Subsidiary Company)		33.06	3.67	44.06	3.82	56.18	4.27
Total			103.89	11.51	129.23	11.19	155.74	11.83
- Hotel	Asia Airport Hotel	Direct 100%	62.36	6.90	121.11	10.48	134.66	10.23
- Restaurant	(Subsidiary Company)		41.09	4.55	72.94	6.32	75.45	5.73
Total			103.45	11.45	194.05	16.80	210.11	15.96
Area Subcontracting Business	Zeer Property Public Co., Ltd. (Subsidiary Company)	Direct 94.85%	441.34	49.87	526.26	45.58	585.64	44.50
Total			441.34	48.87	526.26	45.58	585.64	44.50
Grand Total			903.03	100.0	1,154.69	100.0	1,316.22	100.0

3. Risk Factors

3.1 Risks from External Factors

- *Risk to the Political Fluctuation and Unrest in the Country.*

In the last quarter of 2013, hotel and tourism business has been affected by the political fluctuation especially Asia Bangkok hotel which located on the center of economic area of Thailand. In normal situation, this location is an important area of Thai business which represent socio-economic image of the country. However, the political rallies in the last quarter of 2013 are took place near to Asia Bangkok hotel such as political stage at Patumwan intersection and victory monument.

Because of this, risks from the political fluctuation and unrest in the country since the last quarter of 2013 and the first quarter of 2014 affects the revenue of Asia hotel group directly. Asia Pattaya, Asia Airport, and Asia Cha-am hotel as well as Zeer Rangsit shopping center are also affected by the political fluctuation but the effect is still not as much as Asia Bangkok Hotel.

- *Risk to the Global Economic Recession*

The subprime crisis of United States of America has had an impact on Europe and the world economy. This results a decline on number of European guests. The Asia Hotel Group tried to reduce the risk by opening more of the Asian markets by receives more customers from Russian, Korean and Chinese, in 2013.

According to the company's changing of client base to Asian market in 2013, the company has to reduce the average room selling price even though an occupancy rate is higher.

- *Risk from the Government Policy*

The government should place importance on the income from tourism. The tourism activities should be encouraged seriously. If the government's tourism policy changes from the present, it may cause a risk.

Moreover, the government policy regarding the labor cost, the minimum wage is about 300 Baht per day and the minimum labor cost (salary/remuneration) for bachelor's degree graduates is 15,000 Baht a month. The policy on minimum wage at 300 Baht per day does not much affect the Company because the Company pays the wage at this rate, but the labor cost for graduates with bachelor's degree at 15,000 Baht a month does much affect on the business operation of the Company because the Company has many employees and it must be considered carefully. The Company is considering the salary/other remuneration structure to conform to the work efficiency and quality in each aspect.

- *Risk from Natural Disasters*

From the severe flooding occurred during the late 2011, In 2012 Asia group has emphasized on protecting the company's assets that may have direct impact in the future. For example, Zeer Property Public Co. Ltd., the subsidiary company that owns Zeer Rangsit Shopping Center has invested in increasing the height of flood wall and also taken out an insurance policy to cover the assets that may be damaged in the future. In year 2013 Asia group has prepared for any unpredicted natural disasters to protect our property.

3.2 Risk from Business Operation

- *Risk from shortage of efficient service labor*

The company is presently encountered the problem of lack of efficient staff due to the number of competitors in hotel business and restaurant has been increased. Last year the turnover rate was quite high and the company had difficult time training and developing qualified personnel in order to maintain standard and sufficient supply for the demand.

- *Risk from not being able to increase the selling price to match with the increasing cost*

The operation cost is higher due to the increase of the labor cost, including food and raw materials that have been increased by 5 to 10% from last year. The room rates and the sales of banquet functions cannot be adjusted accordingly due to the high competition in business. It, therefore, affected the company's revenue.

4. General Information and Parties of References

Company ASIA HOTEL PUBLIC COMPANY LIMITED (ASIA)
Business Type 2 major business Hotel Business and Area -Subcontracting Business
Company register no. 0107535000346
Telephone no. 0-2217-0808 fax no. 0-2215-2645
Home Page : //www.asiahotel.co.th
Address :296 Phya thai Road, Thanon Petchari, Rajathevi, Bangkok 10400
Authorized share capital : 500 million baht consisting of 50 million shares with par value of Baht10 each
Paid up capital : 320 million baht consisting of 32 million fully paid shares with par value of Baht 10 each

Shares Registrar

Name : Thailand Securities Depository Co., Ltd.
Address : The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok
Telephone No. : 02-359-1200-01

Auditor

Company's Name : Office of DIA International Auditing
Auditor's Name : Mrs. Vilairat Rojnuckarin C.P.A (Thailand) No. 3104 or
: Ms. Somjintana Pholhirunrat C.P.A (Thailand) No. 5599 or
: Mr. Wisut Petpanitkul C.P.A (Thailand) No. 7309
Address : 316/32 Sukhumvit Soi 22 Sukhumvit Rd., Klongtoey, Bangkok 10110 Tel. 022595300

Legal Advisor

Name/Address : Thupchai Nipatharuji Law Office, 60/217 Pracharoemjai Rd., Saikongdintai, Klongsamva, Bangkok 10500. Tel. 02995-2866

Details of Juristic Persons Which Company held at least 10% of issued and paid-up capital

	Address	Type of Business	Type of Share	Issued and paid-up (MB)	No. of Shares Held	% of Shares Held
Asia Pattaya Hotel Co., Ltd. "AP" (Subsidiary Company)	352 Moo 2 Kao Pra Tumnuak Road Pattaya Beach Choburi.	Hotel and Restaurant	Ordinary Shares	120.0	1,193	99.42%
Asia Airport Hotel Co., Ltd."AA" (Subsidiary Company)	99/2 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Hotel & Service Apartment and Restaurants	Ordinary Shares	495.0	4,949,993	100.00%
Zeer Property Co., Ltd. "ZP" (Subsidiary Company)	99 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Area Subcontracting Business	Ordinary Shares	225.0	213,412,200	94.85%
Zeer Asset Co., Ltd. "ZA" (Subsidiary Company) By ZP	165 Rungsit-Nokornnayok Rd. Prachatipat, Pathumthani	Real Estate	Ordinary Shares	1.0	10,000	96.99%
Zeer Oversea LLC"ZO" (Subsidiary Company) By ZP	2662 22 nd Avenue San Francisco, CA., USA 94116	Shopping Mall for Rent	Ordinary Shares	US\$ 5,760,000	US\$ 5,754,,000	99.90%

Remarks: ZP has established two subsidiaries, Zeer Asset Co., Ltd and Zeer Oversea LLC., holding the ordinary shares of 96.99% and 99.90% respectively, resulting ASIA hold the shares indirectly.

5. The structure of shareholders and management.

5.1 Shareholders

Asia Hotel Public Company Limited ("ASIA") with Baht 500,000,000 authorized share capital consisting of 50,000,000 common shares with par value of Baht10 each while having the issued and paid-up capital of Baht 320,000,000 consisting of 32,000,000 fully paid shares. As at the closing dated 14 May 2013.

(A) Details of Top-Tenth Major Shareholders as at the latest closing dated for The Company share transfer (14 May 2013)

No.	Name	No. of Shares Held	% of Share Held
1	A.B.K. Enterprise Groups.	15,745,996	49.206
2	Mrs. Pornpun Tanariyakul	3,572,775	11.16
3.	Mr. Wutimate Lertvilai	1,152,999	3.603
4.	Mr.Kobsak Jarurungsan.	979,794	3.062
5.	Mr.Somsak Komvutichai	860,900	2.690
6.	Mr. Soh Chee Yong	765,000	2.391
7.	Mr. Vichai Tiyawongmana	675,000	2.109
8.	Mr. Viratch Archavakulthep	552,100	1.725
9.	Mr. Wichai Arunkamol Sri	539,600	1.686
10.	Miss.Supavadee Boonsuntisuk	385,000	1.203
	Total	25,229,164	78.841

Remarks : #Details of A.B.K. Enterprise Groups: A.B.K. Enterprise Co., Ltd., holding company held 46.325%, Pattaya Hotel Trading Co., Ltd. held 1.125% and Mr. Kumpol Techaruvichit and spouse held 1.756%
Totalting in No.1 49.206%
: Counting the total amount of shares of related shareholders according to the Section 258

(B) The major shareholder group having behavior influences policy setting or management of company

Name list of major shareholder	No. of Shares Held	% of Share Held
1. Techavichit Family	4,927,136	15.40
Mr. Kumpol- Mrs. Suvimol Techaruvichit	561,996	1.76
Mr. Surapol Techaruvichit and spouse	292,633	0.91
Mr. Surapong Techaruvichit	226,666	0.71
Mrs.Pornpun Tanariyakul and spouse	3,572,775	11.16
Mrs. Oyetip Hayrabut	204,066	0.64
Mr. Amorn Techarivichit	70,000	0.22
2.A.B.K. Enterprise Co., Ltd.	14,824,000	46.32
3.Pattaya Hotel Trading Co., Ltd.	360,000	1.12

The persons in Techaruvichit Family holds direct ASIA shares totaling 5,008,202 shares or 15.65%

As at December 31, 2013 Techaruvichit group, who is a current executive of ASIA, holds direct shares of the company of 14.49% and holds indirect shares via the company group of A.B.K. Enterprise Company Limited according to the note in item (a) of 47.46% , It is totally direct and indirect holding of 61.94% as follows:

A.B.K. Enterprise Company Limited is a Holding Company, 33.53% of shares are held by Techaruvichit Group, the executive of ASIA and others held 66.47% shares

Pattaya Hotel Trading Company Limited is a Holding Company, 67.78% of shares are held by Techaruvichit Group, the executive of ASIA and others held 32.22% shares

In addition, there's currently no shareholders' agreement about issuing and initial public offering of common stock as well as any agreement of the company's management.

Director and Executive	No. of Shares Held	% of Share Held
Mr. Kumpol- Mrs. Suvimol Techaruvichit	561,996	1.76
Mr. Amorn Techarivichit	70,000	0.22
Mr. Surapong Techaruvichit	226,666	0.71
Mrs.Pornpun Tanariyakul and spouse	3,572,775	11.16
Mrs. Oyetip Hayrabut	204,066	0.64
Mr. Piyawudh Senapoopitaksa	26,666	0.08
Mr. Sombut Pupipathirunkul and spouse	52,999	0.17
Mr.Suwat Dusitrojanawongse	85,000	0.27
Dr. Chotima Puasiri	16,666	0.05
Total Board of Director hold Asia stock	4,816,834	15.05

6. Payment of Cash Dividend

- *Asia Hotel Public Company Limited*

: The company has a policy to pay the dividend to shareholders around 60% of the net profit after deduction of statutory reserves of particular company's financial statement. The dividend payout ratio depends on cash flow and investment of the company and its subsidiaries including the consideration of legal restriction and any necessary matters.

Past 3 years record of dividend paid

<u>Period</u>	<u>dividend/share</u>	<u>date paid</u>
1 Jul - 31 Dec 2012	0.55	29 May 2013
1 Jan – 30 June 2012	0.85	10 October 2012
1 Jan – 31 Dec 2011	none	-
1 Jan – 31 Dec 2010	0.50	11 May 2011
1 Jan – 31 Dec 2009	0.50	7 May 2010

Payment of Cash Dividend of Subsidiary Companies

- *Asia Pattaya Hotel Company Limited*

: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation .

The company has a policy to pay the dividend not less than 60% of the net profit after deduction of statutory reserves.

- *Asia Airport Hotel Company Limited*

: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation.

The company has a policy to pay the dividend not less than 60% of the net profit after deduction of statutory reserves.

- *Zeer Property Public Company Limited*

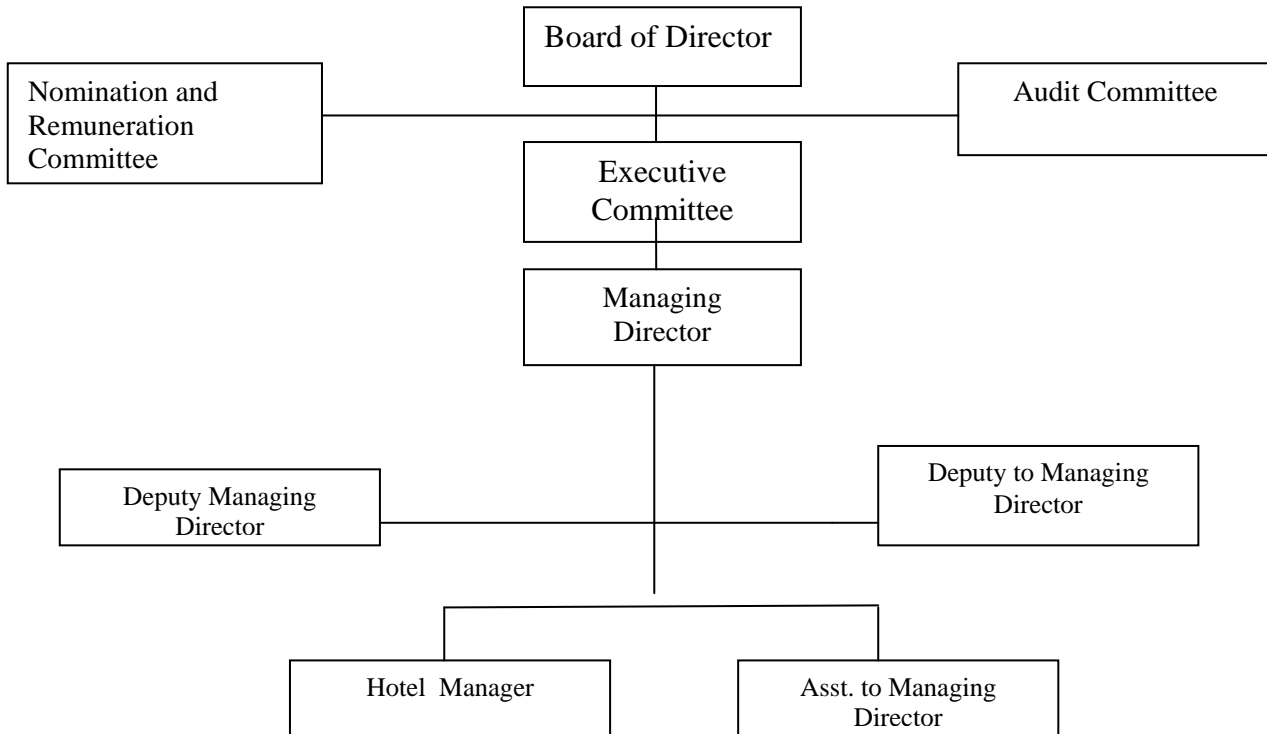
: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation.

The company has a policy to pay the dividend not less than 40% of the net profit which is already statutory reserved.

7. Management

The company consisting with 4 committees, those are the company committee, executive committee, audit committee and the nomination and remuneration committee.

Management Structure as of 1 March 2014



7.1 Board of Directors presently consists of 9 members

1. Mr. Kumpol	Techaruvichit	Chairman of the Board (Passed away on 16/12/2013 and nominating in process)
2. Mr. Amorn	Techaruvichit	Vice Chairman
3. Mr. Surapong	Techaruvichit	Director
4. Mrs. Suvimol	Techaruvichit	Director
5. Mrs. Pornpun	Tanariyakul	Director
6. Mr. Piyawudh	Senapoopitaksa	Director (Independent Director)
7. Mr. Sombut	Pupipathirunkul	Director (Independent Director)
8. Mr. Suwat	Dusitrojanawogse	Director (Independent Director)
9. Dr. Chotima	Puasiri	Director (Independent Director)
Miss Sudaratana	Wisnuwatanakit	Secretary to the Board

Board of directors of the Company consists of persons with knowledge, competence and experience in business relating to the Company's operations. They are not persons who are in the list and not considered by the Securities and Exchange Commission (SEC) to be the management executives nominated by the nomination and remuneration committee through the board of director for approval and will be appointed in the shareholders meeting.

- The term of office is 3 years according to the company's regulations. In the shareholders annual meeting each year one third of the committee will leave the office and they can be re-elected again.

- The Company will propose to shareholder meeting to appoint at least 3 independent directors or not less than 1/3 of total company directors according to regulations of the Security and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The qualifications of independent Directors are in item 8.3 Selection of committee and executives
- The ratio of directors who will represent each group of shareholders is not fixed, it depends on resolution of the Shareholder meeting
- The Shareholders' meeting shall elect directors according to the Article of Association of the Company no. 17, the shareholders shall elect the Directors according to the following criteria and methods:
 - (1) A shareholder has the vote of one share per one vote.
 - (2) Each shareholder must put all of his/her votes under (1) to elect a person or several persons as directors, but he/she is not allowed to split his/her votes.
 - (3) Those who receive the highest number of votes will be elected in descending order as directors, equaling the numbers of directors to have or to be elected at that time. In case of tie between runners-up, exceeding the numbers of directors to have or to be elected at that time, the Chairman shall make the casting vote.
- The directors are not allowed to be involved in any same business types that are competitors of the company even though to benefit others excluding if the director already notified in the shareholder's meeting before an appointment.
- The director can hold a position of the director of other company if it doesn't hinder the duty of the director. The director of the company shouldn't hold a position as a director of more than 5 listed companies.

Authorities of the company committee are tentatively specified as follows:-

- (1) Consider and approve the organizational structure and management of the Company and its subsidiaries.
- (2) Approve policy, strategy and operational goal proposed by executive committee. To govern and share opinion for making decision in executive for achieving operational goals as established.
- (3) Consider and approve the annual operating budget, capital expenditure budget and investment projects of the Company and its subsidiaries.
- (4) Appoint Independent director, executive committee, sub-committee groups and top executive of company and approve the remuneration proposed by the nomination and remuneration committee.
- (5) Consider and approve the issues of contingent liabilities, commitments and guarantees of the company and its subsidiaries.
- (6) Propose the director whose tenure will end and the new director in the Shareholders' Meeting and propose the meeting attendance remuneration, bonus for the Board members as well as dividend payment to shareholders.
- (7) Propose the appointment of company's auditor and audit fees in the Shareholders' Meeting in accordance with Audit committee's recommendation.
- (8) Consider and agree on Quarterly and Annual Financial Statements, Annual filing Form 56-1 and Form 56-2 according to the regulation of the Stock Exchange of Thailand (SET) and the Security and Exchange Commission (SEC).
- (9) Consider and approve the related transaction and conflict of interest relating to the purchase or disposal of assets according to the SEC.
- (10) Follow up the monthly and quarterly operating results and financial status of the Company and its subsidiaries
- (11) Consider and approve the agreement on purchasing, hiring servicing, renting and leasing with exceeding value of Baht 20 million

- (12) Consider the purchase of the out-of budget items which value more than Baht 20 million, and the over-budget expense exceeding 20% of approved value.
- (13) Consider on renting and leasing assets for period over 6 years.
- (14) Consider and approve on any matters presented by Executive Committee including legally-required matters to be presented to the Board.
- (15) Board may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the SEC and the SET.
- (16) The Board Meeting shall be at least 1 time per 3 months with at least 50% of attendants
- (17) Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
- (18) Board prepare the annual report of conflict of interest of director and related person or changing item in the report within 30 days , this report will be kept by the company secretary

❖ The Company's structure of directors comprises of 9 members:

- Management executives 4 members (Mr.Kumpol Techaruvichit (passed away),
Mr.Amorn Techaruvichit, Mr.Surapong
Techaruvichit and Mrs. Pornpun Tanariyakul)
- Non-management executives 1 members (Mrs. Suvimol Techaruvichit)
- Independent 4 members (Mr. Piyawudh Senapoopitaks,
Mr.Sombut Pupipathirunkul,
Mr.Suwat Dusitrojjanawongse and
Dr.Chotima Puasiri)

Therefore, to balance and to inspect the execution of the Company, structure of board of directors consists of 5 members of non-management executives that more than a half of total members of directors and the Company also appointed 4 members of independent as audit committee. (more than 1/3 of 9 members of board of directors).

The Audit committee and the nomination and remuneration committee are the independent committee, the Board of directors approved audit committee charter and nomination and remuneration committee charter. The duties and responsibilities of these committees can be searched for further information in *item 8.2, Committee*.

❖ **Committee's Meeting**

Company arranges the meeting monthly on the date of 13th. In case of having the special case that the meeting has to be done, the letter of invitation of a meeting will be sent to notify the committees at least 7 days in advance so that they can make a careful discretion and arrange the time for making decision of the matter or subject proposed by the management team and discussing major problem carefully.

The committees well concern that they have to participate the meeting every time except in case of having a special reason the chairman will be informed. All this, the approved meeting will be record in writing and the meeting report which approved by the committee will be kept and audit by the related committee.

In 2013, there are totally 12 committees' meeting and the participants are as follows:

As at 31 December 2013 Board of Director

Name	Position	Tenure	Participate /Number of meeting
1.Mr.Kumpol Techaruvichit *	Chairman	APR.2013- APR. 2016	6/12
2.Mr.Amorn Techarucihit	Vice Chairman	APR.2013- APR. 2016	12/12
3.Mr.Surapong Techaruvichit	Director	APR.2013- APR. 2016	12/12
4.Mrs.Suvimol Techaruvichit	Director	APR.2012- APR. 2015	11/12
5.Mrs.Pornpun Tanariyakul	Director	APR.2011- APR. 2014	12/12
6.Mr.Piyawudh Senapoopitaksa	Director, ID, AC and NRC	APR.2011- APR. 2014	12/12
7.Mr.Sombut Pupipathirunkul	Director, ID, AC and NRC	APR.2012- APR. 2015	12/12
8.Mr. Suwat Dusitrojnanawongs	Director, ID, AC and NRC	APR.2011- APR. 2014	12/12
9.Mrs.Chotima Puasiri	Director, ID, AC	APR.2012- APR. 2015	12/12

Remark : *Mr.Kumpol Techaruvichit had sick at Hospital since July 2013 and passed away in December 2013.
Director, ID = Independent Director, AC = Audit Committee, NRC = Nomination and Remuneration Committee

Shareholder Meeting participation

Every director should participate in every shareholder meetings to explain the question from shareholders especially the committees including the audit committee, the nomination and remuneration committee and the executives except for any inevitable reasons which the directors have to notify the chairman in advance.

Authorized Directors

“Mr. Kumpol Techaruvichit sign with the Company’s seal affixed, or Two of Mr. Amorn Techaruvichit or Mrs. Suvimol Techaruvichit or Mr. Surapong Techaruvichit jointly sign together with the Company’s seal affixed, Except in case of legal acts concerning loan agreements must be two of Mr. Kumpol Techaruvichit or Mr. Amorn Techaruvichit or Mrs. Suvimol Techaruvichit or Mr. Surapong Techaruvichit jointly sign together with the Company’s seal affixed, or any of Mr. Kumpol Techaruvichit or Mr. Amorn Techaruvichit or Mrs. Suvimol Techaruvichit or Mr. Surapong Techaruvichit jointly sign with another director, totaling two directors together with the Company’s seal affixed.”

The Limit of the Authority of Directors: None

Separation in duties between Chairman and Managing Director

Former, the Chairman and Managing Director is the same person. The responsibilities and authorized power between Chairman and Managing Director have been clearly separated as follow:

Scope of duties and responsibilities of Chairman of Directors

Chairman of Directors of the Company has to serve as the Chairman of the Board of Directors’ Meeting and Chairman of Shareholders’ Meeting. Chairman should be able to control the Meeting to comply with the rules and regulations of the Company in respect of the Meeting and to run the Meeting to be in accordance with the Meeting Agendas as specified in the meeting invitation letter.

Scope of duties and responsibilities of Managing of Directors

Managing Directors will serve as the Chairman of Executive Director, be responsible for management to comply with the Company's policies as specified in the scope of duties and responsibilities of Board of Directors including not approving related items of his/herself or related persons (as definition mentioned in the announcement of the SEC, section 58 and close relatives) who have benefit or may have any conflict of interests in the Company or subsidiary companies.

7.2 Executive

Executive Committee as at December 31, 2013

1. Mr. Kumpol	Techaruvichit	Managing Director
2. Mr. Amorn	Techaruvichit	Deputy Managing Director
3. Mr. Surapong	Techaruvichit	Assistant Managing Director
4. Mr. Pornpun	Tanariyakul	Assistant Managing Director

Remark: Mr. Kumpol Techaruvichit passed away on December 16, 2013 and the resolution of the board meeting appoint Mr. Surapong Techaruvichit as Managing Director effective February 18, 2014 onwards.

Executive Committee as at March 1, 2014

1. Mr. Surapong	Techaruvichit	Managing Director
2. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
3. Mrs. Oyetip	Hayrabut	Deputy to Managing Director
4. Mr. Theerarath	Techaruvichit	Assistant to Managing Director

Duties and Responsibilities of Executive committee as follows:

- (1) Setting strategy, goal and plan and proposing to Board of Directors. Controlling the operation to be in according to the strategy and goal and appointing individuals at every level to be responsible to the goal and policy approved by the Board of Directors.
- (2) Proposing the operating result and financial status of the group of Company, inspection and summarizing important matters to propose to Board of Directors.
- (3) Administer and control individuals for operation, set salary and remuneration to all employees.
- (4) Governance to be in accordance with the government law and regulations.
- (5) Approval of procurement, service, rent and leasing with the budget not exceed than Baht 20 million.
- (6) Approve buying assets with no budget valued not exceed than Baht 20 million and expenses that over budget of not more than 20%.
- (7) Approve renting and leasing with the contract period of not more than 6 years.
- (8) Approve any other matters propose by executive directors.
- (9) Do any other task assigned by Board of Directors.

Management Team as 1 March 2014

1. Mr. Surapong	Techaruvichit	Managing Director
2. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
3. Mrs. Oyetip	Hayrabut	Deputy to Managing Director
4. Mr. Theerarath	Techaruvichit	Assistant to Managing Director
5. Mr. Kriengsak	Jumaree	Hotel Manager
6. Mr. Somsak	Theerawitpreecha	Director of Sales
7. Miss Ganlayanee	Rounggrayubchai	Director of Sales (F&B)
8. Miss. Somsri	Tungstatpongsathorn	Financial & Accounting Manager
9. Mrs. Siriwan	Boonchim	Housekeeping Manager
10. Mr. Atiwat	Opaswatkul	Front Office Manager
11. Mr. Thongpoon	Doungchompoo	Acting Food and Beverage Manager
12. Miss Patcharanee	Techaruvichit	Assistant Personnel Manager
13. Miss Nutcha	Techaruvichit	Public Relations Manager
14. Mr. Chairat	Thamvichit	Engineering Manager
15. Mr. Vaiyawudh	Samakkarn	Security Manager

Four executive levels below the chief executive (MD) according to the regulation of the SEC.

1. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
2. Mrs. Oyetip	Hayrabut	Deputy to Managing Director
3. Mr. Theerarath	Techaruvichit	Assistant Managing Director
4. Mr. Kriengsak	Jumaree	Hotel Manager

Remark : The board of directors meeting on 17 February 2014 has appointed Mr. Surapong Techaruvichit, Asst. Managing Director, as Managing Director for replacing Mr. Kumpol Techaruvichit who passed away, effective from 18 February 2014 onwards.

7.3 Company Secretary

The Board of Director has appointed Miss Sudaratana Wisnuwatanakit as Company Secretary effective from 18 May 2011 onwards. Qualification of Company Secretary see Attach No. 1

Secretary of the Company appointed since August 2008 has responsibilities to co-ordinate between the Company and Board of Directors, Sub-Committee and the Company's shareholders, facilitate directors and related persons to always receive current information such as announcement and new regulations of the SEC and the SET, prepare and arrange Shareholder Meeting. In addition, Secretary also has to act on behalf of the Company and Board of Directors for the following:

- (1) Prepare and filing the following document:
 - a) Registry record of directors
 - b) Appointment Letter for Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and the Annual Report of the Company.
 - c) Appointment Letter for Shareholders' Meeting and Minutes of Shareholders Meeting
- (2) Keep equity items reported by directors or management
- (3) Operate other task according to the Announcement of Capital Market Committee

In case that the Secretary of the Company resigned or cannot perform the duty, Board of Directors shall appoint a new secretary within 90 days starting from the date of resignation or cannot perform the duty. Board of Directors is authorized to assign any director to act on instead Secretary during that time.

7.4 Remuneration and Benefits to Board and Management

(1) Remuneration in Cash

Remuneration in cash is paid in term of meeting allowance and bonus. The company currently doesn't have the compensation policy excluding the salary and bonus which executives are the only one who received.

In 2013, Nomination and Remuneration Committee has considered the remuneration and benefits to Board and Management, has compared with operating of company and economics status, give the opinion of remunerations to the Board of Directors, has considered that remuneration to directors by proposing to the Ordinary Shareholders' Meeting for approval, its same as last year as follows:

- Pay Bonus to Board of Directors at a total of Baht800,000 for operation of 2012.
- Meeting allowance per meeting time for the Chairman of Board of Directors is at 15,000 Baht, Vice Chairman is at Baht11,250 and Director is at Baht7,500 per person. If at any time, director is not available to attend the meeting, the meeting allowance will not be given. The director shall not receive shares, debentures or rights in receipt/purchase of extra shares from the company anymore.

Remuneration of Audit Committee the Nomination and Remuneration Committee has considered and proposed to the committee meeting for approval that in May 2012 the audit committee ended their term and reappointed with annual remuneration to be paid in April yearly:

Chairman of Audit Committee	Baht	45,000
Audit Committee member	Baht	30,000 per person

Remuneration of Nomination and Remuneration Committee firstly approved and appointed by the company's Board of Directors in January 2010 to be in the office for 3 years. When their office ended in January 2013 their remuneration was approved at the same rate to be given at each meeting as follows:

Chairman of Nomination and Remuneration committee	Baht	11,250 per meeting
Nomination and Remuneration Committee member	Baht	7,500 per meeting

In addition to remuneration as mentioned above, meeting allowance and bonus of the company's directors and committees are in accordance with the principle of good corporate governance in 2012. The board of director represent to shareholders' meeting for consideration and approval in annual shareholders' meeting.

Remuneration of Subsidiary Companies; is the remuneration of director who serves as a director in subsidiary companies:

Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd.

Meeting Allowance for Directors per meeting time:

Chairman of the meeting is Baht3,000 , Vice Chairman is Baht1,500 and Director is Baht1,000. If at any time, director is not available to attend the meeting, the meeting allowance and other bonus will not be paid.

Zeer Property Public Company Limited.

In year 2013, the company has separated the operation of the business and the company does not send any representative to be a director in this subsidiary.

As at 31 December, 2013

- a) Total remuneration for 9 directors: Bonus and meeting allowance # Baht 2,014,500.00
 b) Total remuneration for 5 executives and management **
 Bonus and meeting allowance ,salary Baht 6,931,100.00

*Remark ** 5 Executives are MD and 4 persons in the next four executive levels below Managing Director according to the regulation of the SEC. (see page 24)*

Table shows the remuneration received by each director in fiscal year 2013

Name	Meeting Allowance	Meeting allowance for subsidiary* AP, AA	Director Bonus	Bonus for Audit Committee	Bonus for Nomination/ Remuneration Director	Total Remuneration
1.Mr.Kumpol Techaruvichit*	150,000	100,700	128,000	-	-	378,700
2.Mr.Amorn Techaruvichit	135,000	116,000	96,000	-	-	347,000
3.Mrs.Suvimol Techaruvichit	82,500	22,000	64,000	-	-	168,500
4.Mr.Surapong Techaruvichit**	90,000	92,200	64,000	-	-	246,200
5.Mrs.Pornpun Tanariyakul	90,000	24,000	64,000	-	-	178,000
6.Mr.Piyawudh Senapoopitaksa	90,000	24,000	64,000	30,000	15,000	223,000
7.Mr.Sombut Pupipathirunkul	90,000	12,000	64,000	30,000	22,500	218,500
8.Mr. Suwat Dusitrojanawongs	90,000	12,000	64,000	45,000	15,000	226,000
9.Mrs.Chotima Puasiri	90,000	-	64,000	-	-	154,000
10.Mr.Surapol Techaruvichit***	22,500	111,700	64,000	-	-	198,200

Remuneration for subsidiary companies is the meeting allowance and bonus (if any) provided to committees who are in charge as directors of subsidiary companies.

Remark: *Mr.Kumpol Techaruvichit had sick at Hospital since July 2013 and passed away in December 2013.

Director no. 6-8 resigned from Board of Directors committee of Asia Pattaya Hotel Co., Ltd. And Asia Airport Hotel Co., Ltd., the subsidiaries, on 14 August 2013 onwards.

(2) Other remuneration (If any)

- Other remuneration of director -none-

- Other remuneration of Executives: Provident Fund for executives, company support proportion 5% of salary. The company pays for 5 executives (Mr.Kumpol Techaruvichit, Mr.Amorn Techaruvichit, Mr.Surapong Techaruvichit, Mrs.Pornpun Tanariyakul and Mrs. Oyetip Hayrabut) total amount Baht 341,301.00

7.5 Employee

In 31 December 2013, the company (Asia Bangkok) has a total of 579 employees.

Within these 3 years the company doesn't have any serious labor dispute and any significant change in number of employees.

Net compensation of employees includes salary, overtime earning, bonus, social security fund, and provident fund.

Provident fund: in 2011, the company has started the provident fund for employees who have worked for at least 4 months. A part of salary of the registered employees will be contributed to the provident fund define the terms as follows:

6 months to 3 years working age: the registered pay for 3 percents and the company pay for 3 percents

3 years or more working age: the registered pay for 5 percents and the company pay for 5 percents

If employees terminate the registered state, they will earn their portion and interests as follows:

1 year to 3 years as a fund member: the member earns 100 percents of their portion and 50 percents of company's portion.

3 years to 5 years as a fund member: the member earns 100 percents of their portion and 75 percents of company's portion.

5 years or more as a fund member: the member earns 100 percents of their portion and 100 percents of company's portion.

Unit :Baht

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Salary :	130,111,861.00	118,004,843.00	110,984,230.00
Bonus :	2,166,225.00	1,232,005.00	1,153,979.00
Provident Fund :	3,581,589.00	3,536,439.00	3,573,948.00

Remuneration consideration: the company has proper elementary remuneration procedure by consider remuneration information of other companies of same industry and similar size and the company's turnover as well. For directors, the company will presents to the shareholders' meeting as a final consideration.

Furthermore, subsidiaries' remuneration procedure is similar to the company totaling of 148,671,850.93 Baht. Details are as follows:

Year 2013	Asia Pattaya Co., Ltd. (AP)	Asia Airport Co., Ltd. (AA)	Zeer Property PLC (ZP)
Total Employee (person)	253	266	271
Employee's Remuneration (Salary and Bonus) : Baht	44,463,359.00	52,234,334.93	51,974,157.00
Provident Fund : Baht	-N/A-	-N/A-	Found on Sep. 2013 450,812.00

8. Governance

8.1 Policy on Corporate Governance

The company sees the influence of operation and performance of good quality governance since 2004 by using information from the former 15 sections of principle of governance to draw up the governance policy conducted in writing and promulgate in the company's website (www.asiahotel.co.th).

Later in 2008, classification of governance has been adjusted into 5 categories in accordance with OECD(Organization for Economic Cooperating and Development). And at this time, the developmental department of the corporate governance committee for capital market of stock market of Thailand has developed the guidelines of these 5 categories conform to ASIAN Corporate Governance Scorecard (ASIAN CG Scorecard) which is a tool to measure "the governance of the listed company" for country within ASEAN in purpose to improve a standard of the listed company and to be modern enough for regional competition.

The company is currently adjusting the regulation to match up with the principle of the company governance in 2012 which is a guideline according to ASIAN CG Scorecard and will start to apply in 2015. The regulation is composed of 2 sections which are principle and guideline of the company governance and can divide into 5 categories including:

1. Rights of shareholders: Shareholders own the company, controlling it by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes.
2. Equitable treatment of shareholders: All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated fairly and equally. Minority shareholders whose rights have been violated should be redressed.
3. Role of stakeholders: stakeholders of a company should be treated fairly in accordance with their legal rights. The board of directors should provide mechanisms to promote cooperation between the company and its stakeholders in order to create wealth, financial stability and sustainability of the firm.
4. Disclosure and Transparency: The board of directors should ensure that all important information relevant to the company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy.
5. Responsibilities of the Board: The board of directors plays an important role in corporate governance for the best interests of the company. The board is accountable to shareholders and independent of management.

The Board has self assessed in Corporate Governance for the year 2013 as follow:

1. Rights of shareholders and Equitable treatment of shareholders

The Company has taken into account on the importance of the good governance for benefiting the management to be more efficiency and reliability to shareholders. In the year 2004 The Company has established of the policy of such governance by covering the Right and equality of shareholders. Shareholders will be acted equally and have fundamental rights according to the law, for example:

1. To obtain shared profit and have right to sell and transfer shares of the company etc.
2. To be provided business disclosure information. The Company has taken into account on shareholders and investors that they should be quarterly provided information regarding the business status, liability progress and operational result of all activities of the Company through "Straight Through" system. These will be included in daily news on website of SET (www.set.or.th) for equally and transparently distributing to all investors (shareholders) The quarterly report and minute of shareholder's meeting will be added to the company's website.

3. The shareholder's meeting in 2013, The meeting documents were sent to shareholders not less than 10 days in advance, the meeting information were also presented on the Company's website; www.asiahotel.co.th. For the next years, the Company has a target to complete the meeting information 30 days before the meeting according to the corporate governance
4. The Company gave right to shareholders to study the company's information that wanted to be disclosed according to the rule and regulations. Annual Report was made in CD Rom for the shareholders and made in documents if they request. When the meeting needed to be held suddenly, no additional document distributed to shareholders, no meeting agenda added or no important information changed without prior notice. The Company gave shareholders right to have questions in the meeting and did not limit shareholders right to attend the meeting when they came late. The Company informed how to attend the meeting in advance by sending meeting invitation letter.
5. In case of appointing the proxy to attend the meeting, The Company has prepared 3 Proxy Forms according to the rule and regulation of the Ministry of Commerce and they are available on the Company's website. The Company recommends shareholders to use the Proxy Form (Form B) as it can put opinion for voting. This Form is attached with invitation letter. Moreover, the Company provides an additional option to shareholders to give the proxy to the Chairman of the audit committee and independent committee to attend the meeting.
6. In October 2013 Company considered giving chance to the minor shareholders to propose the meeting agenda in advance including nominating qualified persons to be director according to specified criteria. Forms can be downloaded from the company website under topic Investor Relation. Complete forms to be submitted at the end of fiscal year, within 31 December 2013 to company secretary, email address : sudarat@asiahotel.co.th, to allow enough time for the Board of Directors to consider before proposing in the shareholders meeting 2014.
On 31 December 2013, no one of shareholder propose any agenda and the person who nominating qualified persons to be director for annual general meeting for the year 2014.
7. The Company provided sufficient information of each meeting agenda in invitation letter for considering.
8. In 2013, total 9 directors participated in the meeting together with the auditor the legal consultant and also the director of Zeer company, the subsidiary, to participate in the meeting so that when the shareholders have any questions, they can get explanation.
9. Chairman of the meeting provide opportunity to shareholders to give their opinion and have questions regarding activities and operating result in the past year and that the Company and subsidiaries expected in the future. Time is provided sufficiently and equally for example the shareholder enquired about the investment plans of ZEER, subsidiary "ZEER Street Project" which was well explained how the project is progressed and filing to be listed company in the SET.
10. The Company uses card for voting in the meeting. Before starting the meeting, the secretary informs the meeting how to use the voting card. It depends on opinion of the quorum that "Agree" or "Not Agree" or "No Vote" with the opinion of directors. If any shareholders not agree or no vote, use this card and inform to the Company for deducting the vote from the total number of quorum then get the total "Agree" or "Not Agree" or "No Vote", summarize and inform the meeting. This method agreed by the meeting and the Company has applied it every meeting, especially, for the important agenda such as continuing connected transaction, acquisition and sale of asset. After getting the explanation, before voting, the secretary will inform the meeting again how to vote and if any member of the committee should conflict of interest from any agenda he will not be allowed to participate in that agenda.

11. The Company takes minute of shareholder meeting and record information and important matters such as name of directors participated, company information, name of independent financial consultants (if any) as well as summarizes the opinion and questions from shareholders, how to vote and count the vote and the meeting resolution separately by “Agree”, “Not Agree” and “No Vote” for each agenda and send information to the Stock Exchange of Thailand and the registrar of Ministry of Commerce according to the law within 14 days after the meeting completed. The minute of meeting is planed to present to shareholders for giving opinion and verify through the Company’s Website within 15 days for thai version and within 30 days for English version after the meeting completed.
12. The Company has the control on the use of inside information. Especially, board of directors and management executives established a policy to examine and supervise the operational results regularly. In other words, directors and executives are not allowed to trade the stock of the company before the financial statement disclosure for 1 month.
13. The Company discloses information of stakeholders who related with directors, management executives and related persons to directors such as security holding (Form246-2,Form59-2), change of security holding, resigning and commencing from the date of appointment within 30 days so that the Securities and Exchange Commission (SEC) Office and the SET distribute information to shareholders and investors.

2. The Role of Stakeholders

The Board of Directors defines the governance policy, is aware on the right of stakeholders according to the law and supervises to ensure that their rights will be protected and well treated. For example:

1) Employees:

- The Company treats all employees equally. Yearly assessment has been done fairly. Opinion box is provided should there be any complaints or information to notify the management. Besides that the company provided the yearly physical examination, supports the employees saving project, Provident Fund for employees and executives which is beyond the requirement by law.

2) Clients: There are regulations to follow. Employees will be trained how to treat the clients fairly, render the best service, keep the client’s secret and follow up with the complaints immediately.

3) Debtors: The Company has performed according to the condition of loan contract of every financial institute.

4) Competitors: Company supports the free trade competition policy and against destroying the competitors unethically.

5) Supplier : Company treats all suppliers and contractors justly and equally which will never damage the company’s reputation and always take into account the equality in doing business and profit sharing. Consider that suppliers are the main factor to help add value of confidence to the customers.

6) Communities: The Company would not do any thing to damage the communities especially at the area nearby the business establishment of the Company.

7) Environment: The Company realizes the importance of environment and engaged in many environmental projects, giving knowledge to employees and monitoring the environmental quality continuously.

In 2013, the company has focused on the implementation of anti-corruption policy by participating in an alignment of private sector of Thailand against corruption (Collective Anti-Corruption) "CAC" to benefit both inside and outside of the organization. Currently, the company begins to prepare policies in accordance with the procedures.

3. Disclosure and Transparency

The Company discloses important information of the Company including financial and non-financial information correctly, completely, timely, and transparently and in accordance with the regulation of the SEC Office and the SET both in Thai and English language through SCP System which has been developed to pass information straight through to the shareholders and SETSMART or in news title, www.set.or.th of the SET. At present the company added one more website to obtain information through www.asiahotel.co.th

The information is also disclosed in form of the annual report (Form 56-1) and the annual report (Form 56-2) for example:

- The performance of Board of Directors, Audit Committee, Nomination and Remuneration Committee in the past year.
- The annual remuneration that directors received from the Company and Its subsidiaries.
- The report of audit committee and report of the nomination and remuneration committee.
- The report of the board of directors' responsibilities to the annual financial report that has been performed in accordance with the certified accounting principle, suitable with the business and contain correct, complete and real information.

Company has an officer who can provide all the company's information to those who are interested and has an office responsible for disclosure of company's important information correctly, transparently and timely, but has not yet established as the Investor Relations. The company's marketing information can be obtained from our website at www.asiahotel.co.th. Investors who are interested in financial and investment information, advanced appointment can be made to get the information from the management at tel. no. 02-217-0808.

4. Board Responsibilities

- ❖ The Company's structure of directors comprises of 9 members:
 - Management executives 4 members (Mr.Kumpol Techaruvichit(*passed away*)
Mr.Amorn Techaruvichit,
Mr.Surapong Techaruvichit
and Mrs. Pornpun Tanariyakul)
 - Non-management executives 1 members (Mrs. Suvimol Techaruvichit)
 - Independent 4 members (Mr. Piyawudh Senapoopitaks,
Mr.Sombut Pupipathirunkul,
Mr.Suwat Dusitrojanawongse and
Dr.Chotima Puasiri)

Therefore, it currently has 9 members of directors, 4 audit committee members and 3 nomination and remuneration committee member as subcommittee and 15 members of management.

Before 16 December 2013, the Chairman and Managing Director is the same person. He is the representative of the major shareholders that held 46.33% of shares. He is the founder of the company who has been managing the business for more than 46 years and with his notable abilities he has been entrusted to occupy the post continuously. The responsibilities and authorized power between Chairman and Managing Director have been clearly separated. (see page 19-20). The company is currently in the process of recruitment of a new director replacing Mr. Kumpol Techaruvichit (Chairman). The Board of Directors has appointed a new Managing Director in February 2014. The company has a policy that the Chairman and Managing Director won't be the same person in the future.

However, to balance and to inspect the execution of the Company, structure of board of directors consists of 5 members of non-management executives that more than a half of total members of directors and the Company also appointed 4 members of independent as audit committee. (more than 1/3 of 8 members of board of directors). The company also appointed nomination and remuneration committee that is the independent committee, responsible for selecting director or

Managing Director and proposing to the Board of Directors Meeting, supporting the Good Governance Policy.

However, the company does not have the policy about the term and retirement of the directors and the independent directors since the policy is opposed to the culture of organization.

Selection of directors as well as defining qualification of directors and independent directors, duties and responsibilities of board of directors and company secretary referred in **Item 7 Management; Item 7.1 Authorities in the Management Structure and item 8.2 Committee Information**. Regarding the biography, education, work experience, share holding and term commencing from the date of appointment to be directors in other companies of each directors are showed in enclosed document of Form 56-1 and annual report.

8.2 Committee

The company consisting with 2 committees, those are the audit committee and the nomination and remuneration committee

- Audit Committee

: The Audit Committee was formed and appointed by company directors to be independent body supporting the company directors to perform efficient audit on the reliability of the financial statements. Nevertheless, there must be at least 1 audit committee who has sufficient knowledge and experience to review the reliability of the financial statement. The term of office of the committee member is three years. The committee members may be re-appointed for another term.

Qualifications of Audit Committee: Apart from being independent, must also possess the followings:

- Must not be assigned by the Board of Directors to make decision relating the business operation of the registered company, major company, subsidiary companies, affiliated companies or juristic persons that may have conflicts.
- Must not be director of major company, subsidiary company or affiliated of other registered company.
- Possess enough knowledge and experience and also devote enough time to carry out the duties assigned as the Audit committee.
- Should not be director in more than 5 registered companies since it might affect duties in any of the companies.

Audit Committee as at 31 December 2013

1. Mr. Suwat	Dusitrojnanawogse	Chairman (Independent Director)
2. Mr. Piyawudh	Senapoopitaksa	Member (Independent Director)
3. Mr. Sombut	Pupipathirunkul*	Member (Independent Director)
4. Dr. Chotima	Puasiri	Member (Independent Director)
Mrs. Pornpun	Tanariyakul	Secretary

*Remark: *Mr. Sombut Pupipathirunkul, director, graduated in financial and accounting and holds the expertise in reviewing the Financial Statement. Every member of audit committee has also attended Financial Statements for Director course by IOD.*

Duties and responsibilities report to the company committee as follows:-

- (1) Review the accuracy and adequacy of the Company's financial statements.
- (2) Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the independence of the Internal Audit

Office, as well as to approve the appointment, rotation and removal, and performance development and appraisal of the Chief Internal Audit or the Internal Auditor.

- (3) Monitor the Company's compliance with the Securities and Exchange Acts and Regulations of the SET, and any other laws relevant to the Company's business.
- (4) Recommend the Board of Directors an independent person to be the Company's auditor as well as the audit fees for appointment by the shareholders to audit the Company's financial statements.
- (5) Attend a meeting with external auditors without the presence of the Company's Management at least once a year.
- (6) Consider connected transactions or transactions with potential conflict of interests to ensure full compliance with relevant regulations and requirements of the SET for reasonableness and the best interests of the Company.
- (7) Review the Internal Audit Charter prior to submission to the Board of Directors for approval.
- (8) Approve the annual audit plan, scope of audit and internal audit budgeting.
- (9) Review the internal audit reports and follow up the significant issues from the reports.
- (10) Review the Code of Conduct prior to submission to the Board of Directors for approval.
- (11) Review jointly with the Management the risk management policy, the practice compliance with such policy, as well as the Company's risk management guidelines.
- (12) Review jointly with the Management the Management's Discussion and Analysis or MD&A section which is disclosed in the Company's annual report.
- (13) Prepare the Audit Committee's Report, signed by the Chairman of Audit Committee, promulgated in the Company's annual report and contained the information required by the SET.
- (14) Inspect any suspiciousness reported by the company's auditor, that the Chairman, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor.
- (15) Any other tasks assigned by the Board of Directors and agreed by Audit Committee.

The Charter of Audit Committee was reviewed according to the regulations of the Security and Exchange Commission and the newly revised edition is effective as of 18 May 2011 onwards.

The meeting of audit committee according to its charter shall be arranged at least once in a quarter. In 2013, there were 10 meetings arranged by audit committee and the result of the meeting and auditing including the consideration of financial statement of the company and subsidiaries every quarterly have been reported to the board of director for making conclusion and proposing to the committees' meeting of the company.

Meeting Participation of Audit Committee Table in the year 2013

Name	Position	Participate /Number of meeting
1.Mr. Suwat Dusitrojanawongs	Chairman of Audit Committee	10/10
2.Mr.Piyawudh Senapoopitaksa	Audit Committee member	10/10
3.Mr.Sombut Pupipathirunkul	Audit Committee member	10/10
4.Dr.Chotima Puasiri	Audit Committee member	10/10

- Nomination and Remuneration Committee

: The company formed the Nomination and Remuneration Committee to set up criteria and process of selecting appropriate person for executive committee and top executive of the company whose tenure will end and ensure the approved Charter is followed. The committee consists of 3 directors and at least 2 must be independent directors. The term of office of each Nomination and Remuneration Committee member is 3 years and may be reappointed after term of office ends.

Nomination and Remuneration Committee as at 31 December 2013

1. Mr. Sombut	Pupipathirunkul	Chairman (Independent Director)
2. Mr. Piyawudh	Senapoopitaksa	Member (Independent Director)
3. Mr. Suwat	Dusitrojanawogse	Member (Independent Director)
Mrs. Pornpun	Tanariyakul	Secretary

In year 2013 at Board of Directors meeting no. 1/2556 in January 2013 performance of the old nomination and remuneration committee who were in the office from 2010 to 2013 was reviewed and they re-appointed to be in the office for one more term.

Responsibilities of the Nomination and Remuneration Committee as follows:

- (1) To recommend the structure and composition of the Board and committee together with the qualification of its members.
- (2) To recommend policy and process to recruit knowledgeable and capable persons suitable to nature of business of the company as directors and executives positions.
- (3) To recommend the list of nominees for the Board of Directors to be proposed to the shareholders' annual general meeting in case of vacancies by rotation and to the board in case of casual vacancies.
- (4) To recommend the list of directors for the committee members of the Company's.
- (5) To scrutinize the list of nominees for the Managing Director, Deputy Managing Director and Assistant Managing Director of the Company in case of vacancy including the establishment of the succession plan for executives.
- (6) To recommend the remuneration structure of the directors and Managing Director of the Company
- (7) To set up the performance evaluation of Management and propose to the Board.
- (8) To evaluate the performance of Managing Director and propose to the Board.
- (9) To recommend the remuneration structure of the directors and senior executives of the Company including meeting allowances, bonus, welfare and other benefits both in monetary and non-monetary terms.

The nomination and remuneration committee meeting according to its charter has not been specified but must be arranged as suitable in order to gather information on committees whose term will be ended and name list of the individuals to be advanced nominated by shareholders within 31st December of every year. In 2012 the above committee held two meetings and submitted a report to the Board of Director on the suitable persons nominated for committee. Committee remuneration to be concluded and proposed to the Board of Director's meeting before proposing to the shareholders' meeting for approval.

Meeting participation of Nomination and Remuneration in the year 2013 Table

Name	Position	Participate /Number of meeting
1.Mr.Sombut Pupipathirunkul	Chairman of Nomination & Remuneration Committee	1/1
2.Mr.Piyawudh Senapoopitaksa	Nomination & Remuneration Committee Member	1/1
3. Mr. Suwat Dusitrojanawongs	Nomination & Remuneration Committee Member	1/1

8.3 Selection of committees and executives.

(1) Independent Director

Qualifications of Independent Directors are as follows:

- Hold shares of not more than 1.00% of the voting shares of the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company, including shares held by related persons of such independent director.
- Must not be nor have ever been a director with participation in management, a hired worker, an employee, an advisor with fixed salary, or a person control over the company, subsidiaries company, associated company, the same level of subsidiaries, major shareholders or a person control over the company unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring including spouse of offspring of an executive or major shareholder, controlling person or person who will be nominated as executive or controlling person of the Company and subsidiary companies.
- Must not have nor ever had any business relationship with the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company, to the extent that may obstruct the using of his/her independent discretion, and is not nor ever have been a shareholder or controlling person with business relationship with the company, holding company, subsidiaries company, associated company, major shareholder or controlling person unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not have nor ever been an auditor of the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company and is not major shareholder, controlling person or a managing partner of the audit firm where the auditors of the company, holding company, subsidiaries company, associated company, major shareholder are working for unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not have nor ever been a provider of any professional service, including legal consultant of financial consultant, with the remuneration in excess of Baht 2 million per annum from the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company and is not major shareholder,

controlling person or a managing partner of such professional service provider, unless having been relieved from such title for not less than 2 years before the date of appointment.

- Must not be a director appointed as the representative of the Company director, major shareholder or any shareholder who are connected persons of the major shareholder.
- Must not operate the similar business that will compete with the business of the company or its subsidiaries or not holding shares or be a committee member, employee, staff, consultant with salary or holding more than 1% of other company's or its subsidiaries' shares with the similar business and competition.
- Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the company.
- Independent Directors may be assigned by Board of Directors to make a collective decision regarding the business operation of the Company, major company, subsidiary companies, affiliated companies and sub-companies at the same level or juristic persons that may have conflicts.
- Disclose information of being independent director of other group of companies including remuneration obtained from the group in the form 56-1 and annual report (remuneration from each individual company is not required)

(2) Selection of committees

Nomination of the directors and executives: Assigning the nomination and remuneration committee to determine the policies and markedly nomination procedures including an initial inspection of the nominee's attribute to match up with the qualification of the committee and accuracy of selection process. Invited the nominee to take a position and request the appointment from the committee and/or approve the qualifications of the directors who is retired by rotation to serve for more term of the shareholders' meeting. The qualification is concluded by the performance evaluation of the committee while the director is in a position.

The Company has given a chance to minor shareholders to propose individuals to be considered as director and also propose meeting agenda in advance which criteria and qualifications are stated in the company's website under Investor Relation heading. The proposals were to made to the Secretary of Board of Directors for the 2014 Ordinary Shareholder Meeting within December 2013. The Secretary of Board of Directors will compile individual names proposed to Nominating Committee for verifying and proposing to Board of Directors for consideration before proposing to the Shareholder Meeting for appointment approval.

The nomination of directors and executives is independent and is not influenced by anyone including the management. Managing directors will hold an orientation meeting for directors or executives by briefing for 2 hours to make them understand the business and duty, guidelines on business operation, and the organization's strategic plan.

According to Regulations of the company no. 16, the company committee has number of member at least 9 persons but not more than 15 persons. At present the committee consist of 9 members of company committee, and 4 qualified independents, the proportion is more than 1/3 of the committee, to propose the list of persons who are fully qualified as specified by law.

The board appoints the nomination and remuneration committee to recruit and prepare the succession plan of executive position including directors and managing directors in order to run the performance of the position continuously. This can avoid an interruption of the company's operations which is in the process of preparation of successor plans.

The Shareholders' meeting shall elect directors according to the Article of Association of the Company no. 17, the shareholders shall elect the Directors according to the following criteria and methods:

- (1) A shareholder has the vote of one share per one vote.
- (2) Each shareholder must put all of his/her votes under (1) to elect a person or several persons as directors, but he/she is not allowed to split his/her votes.
- (3) Those who receive the highest number of votes will be elected in descending order as directors, equaling the numbers of directors to have or to be elected at that time. In case of tie between runners-up, exceeding the numbers of directors to have or to be elected at that time, the Chairman shall make the casting vote.

In the case the directorship is vacated by other than rotation, the board of directors shall select a person with the qualification as prescribed by law as a substitute director in the next board meeting except the term of the director is less than two months. The substitute director shall remain in the directorship for the remaining term of the substituted director.

The resolution of the board as refers to the first paragraph shall consist of a minimum of three-fourths of the votes of the remaining directors.

8.4 Subsidiary company governance

Since the company and subsidiary company are running two different types of business, the board of director has set administrative policy to let each company to operate by oneself with some conference appointment together started in 2011.

Later in 2013, the company has reviewed the policy of separation of operations for each subsidiary company. Types of business in the company's network are divided into 2 groups to distinguish the administration in each group of business distinctly. The first group is hotel and restaurant business and the second group is area subcontracting business (rental).

1. Hotel and restaurant business: the company sends more than a half of the entire committee to be representatives in each subsidiary company. Also, the company assigns the management to plan annual operation, report the operative results in the committee conference every month, and follow up the result closely by adjusting the operative plan in every trimester. The internal control system is regulated in hotel business of the company.

As the company hold shares of two hotel business group of subsidiary company for 99-100%, regulation about committee nomination as well as voting on each agenda is not determined. However, the shareholders, the committee and the executive are the same group of people in both main and subsidiary company. Therefore, the group of people has the right to manage and operate the subsidiary company freely. The company and subsidiary company set a regulation about any related transaction, acquisition and disposal of assets, and any major items of the company for the purpose of revealing information and related items. Furthermore, information storages and accounting records of subsidiary company are determined for traceability and preparation of financial statement.

2. Area subcontracting business (rental): the company formerly sent the committee to be a representative in order to operate, manage, and govern subsidiary company. Later in 2013, the company set policies to distinctively separate the business for preventing redundant benefits and for independently administration. As a result, redundancy between executives of different types of business is excluded. However, the company regulates by inviting managing director and appointing the conference to report the result of operation, annual estimate and trimester follow up.

8.5 Control on the use of inside information

From the regulation of assets holding of company's management executive, the Office of the Security and Exchange Commission and Stock Exchange should assign management executive to report when amount of assets changed. Policy of company is to supervise, take care and prevent management executives, their spouses and children who are minor from using inside information for self benefit, stock transaction or accept transfers of securities issued by the company before disclosing the information to the public for 1 month. Audit committee and management executive are required to report to the company within 3 days counted from the date of stock transaction, transfer or accept transfer of securities. Copy of document should also be sent to the office of management for it to file reports further.

In practice, all committees are the same understanding that if one of them transacts the company securities, committees or management executive will use the means of telephone to inform the authorities at office of management informally and in the next morning day it will be informed in written immediately.

8.6 Auditor Remuneration

1 Audit Fee

The company and subsidiary companies pay the audit fee to:

- Audit and Consultant Office that auditor occupied, person or business related to the auditor and audit and consultant office that the auditor occupied in last fiscal with total amount of ...4,105,000.00.... Baht.

Unit:Baht

<u>Name</u>	<u>Audit Fee year2013</u>
Asia Hotel Public Co., Ltd.	1,170,000.00
<u>Subsidiaries</u>	
1. Asia Pattaya Hotel Co., Ltd.	815,000.00
2. Asia Airport Hotel Co., Ltd.	686,000.00
3. Zeer Property Public Co. Ltd.	1,179,000.00
4. Zeer Asset Co., Ltd.	70,000.00
5. ZEER OVERSEA LLC	<u>185,000.00</u>
Total Audit Fee	<u>4,105,000.00</u>

2. Other Service Fees (Non-Audit Fee)

9. Corporate Social Responsibility

9.1 Overall Policy

Making a report of social responsibility or corporate sustainability report is a compilation of social and environmental activities and also activities inside and outside of the company by using existing resource of the company and outsourced resources. This can lead to the coexistence in the society with happiness. The company believes that these activities can enhance the development of both the company and the society enduringly.

Consequently, the company's board of directors have prepared a policy in responsible for every group of stakeholders under the corporate governance policy which has been drawn up in 2004. Further information about the corporate governance is already said in topic 9 and is also disclosed in www.asiahotel.co.th. The company and the subsidiary company emphasise on employees, customers, creditors, competitors, business partners, communities, environments, and society throughout the past year. The activities are carried out as part of normal business operations (CSR in process) and also another part that the company donated various form of social assistance rather than normal business operations (CSR after process). Yet since many CSR activities which have been revealed are CSR after process such as donation, helping social disadvantaged, etc. what we should do is to start an activity from the CSR in process as a priority

Nevertheless, the company currently does not report in accordance with the framework of GRI (Global Reporting Initiative), which require preparation in the organization, communication with stakeholders both inside and outside the organization, targeting and defining the goal, monitoring the data collection to ensure its reliability, and reporting. All of these may take time.

Because the company is divided into 2 business groups which are hotel and restaurant business group and area subcontract business group (real estate), major stakeholders of business, in addition to the company's shareholders, are employees, customers, partners, surrounding environments, and societies. At present, the company focuses on the business operations of the company and its subsidiaries on corporate social responsibility as following:

1. Fair Operating Practice The company promotes and enhances a free and fair trade competition policy, not monopolize the trade or require traders to specifically supply goods for the company only and no policy to obtain the competitors' information illegally and unethically. Dealing with business partners should not cause the damage of the company's reputation or conflict of the relevant laws. Equality and mutual benefits should be considered and Business partners should be selected fairly. By the way, the Company considered that partners are an important factor to create value and reliability for customers.

2. Anti – Corruption The Company determines directors, executives and employee act with integrity, honesty and transparency by considering the highest benefits of the Company and related persons. Must not accept or offer gifts or presents from customers, partners, contractors, vendors, service providers or government officials. If employee accepts gift of more than nominal value, given on traditional occasions, employee must inform supervisor. Accepting to do any task for any business activities by receiving payment directly or indirectly, employee must report to supervisor about the relationship. Accepting or entertaining customers, partners, contractors, vendors or service providers must only be done for benefiting the Company business deal. Entertaining must not cause damages to reputation of the Company and its stakeholders.

In 2013, the company focuses on anti corruption policy. 12th/2013 committee meeting on 13th December 2013 considers the approval of participating in an alignment of private cooperation against corruption (Collective Anti – Corruption) “CAC”. This is to provide benefits to both inside and

outside organization. The company is in the process of establishing the anti corruption policy in accordance with procedure to train the employees about the knowledge and policy of regulation against corruption. Audit committee and Auditor of the company, who are accredited by SEC, have to follow up, review the accuracy, and integrate the project so that the policy was approved by the related institute.

3. Respect for Human Rights The Company give a respect to basic human rights categorized into 2. The first category is the civil and political rights and rights of freedom in expression and the second category is socio-economic and cultural rights, right to work or right to receive food, and right in health. The Company support social activities which doesn't affect or damage to the reputation or interest of the Company or doesn't polished any duties of people. Use political right according to the law and avoid actions that can cause misunderstanding that the Company involved in any political parties.

4. Fair Labour Practice Employees are the most valuable resource and a key to the success of the company business. The company, therefore, creates a good work culture and environment as well as enhances teamwork, treats to employees gently and respects each individual's right to privacy. Employment, appointment and transfer of employees will be considered, based on ethical conduct and human resource will be utilized to gain the most benefit for the company.

The company will treat employees equally and fairly without regard to gender, race, nationality, religion and creed.

The company has a responsibility to create a good work environment and safety for life and assets of employees and persists to follow labor law strictly as follow:

1. A room has been arranged called "Breast Feed Corner" to encourage the female employees to breast feed their babies continuously not less than 6 months after giving birth. The Project is to promote benefits for employer relations and help reduce the social problems in a long run because babies will be healthy bodily and mentally. During the school holidays the older children can occupy themselves with activities while waiting for their parents.
2. Company also supports the employees saving project by approving the Asia Hotel Saving and Credit Cooperative Limited to be founded more than 12 years and operated by their own committee. It is well established and recently received a certificate of a high standard from the Cooperative Promotion Bangkok Metropolitan Office (year 2012).
3. The company set up the welfare directors including the hotel manager and the head of several sections to monitor the welfare of employees such as cremation fund and helping the flooding victim.
4. Provident Fund managed by Thanachart Fund Management Co., Ltd. has been provided for employees' and executives' security since 2011.
5. The management has set up a project to benefit the employees and extended to their relatives and friends to book accommodations in all 4 hotels: ASIA Bangkok, Asia Airport , Asia Pattaya, and Asia Cha-am at special prices. The bookings need to be verified by Personnel Department.

5 Consumer Responsibility The company is willful to provide the satisfactory and reliable service to customers with quality rooms, foods and beverages at reasonable price as well as maintain a good relationship. The company, therefore, establish a code of conduct Quality rooms, food and beverage service The Company is willful to raise the standard to a higher position continuously and disclose information regarding the location and service completely, correctly and accurately.

6. Care of Environment Regarding the environment, the Company recognizes that the environment relates to the balance and living together among humans, animals and trees. Protecting the environment is therefore, the Company's responsibility to the society and a duty of all employees with the following objectives:

- To protect from pollution
- To control air condition, wastewater and waste material from the operation to be better than the standard required by law
- To use the resource economically
- To comply with the existing and future applicable law
- To improve the environmental quality continuously

Occupational Health and Safety Policy

The Company recognizes that the occupational health and safety management system is a part of the business which is important. It is the direct responsibility of all executives and employees to ensure that the operations are in accordance with the occupational health and safety plan and comply with The Thai law and international standard and to improve the prevention of hazards that might affect to employees, clients and related persons continuously according to the objectives set up from risk assessment as follows:

- To prevent accidents caused by fire and explosion.
- To prevent chemical hazards
- To prevent injuries caused by mechanical works
- To prevent dangers from electrical works

In order that, executives shall inform all employees about objectives, provide adequate and sufficient resources for achieving defined objectives and goal, set up proper training for employees at every level to be able to perform their duties and responsibilities as well as review management policy, execute the audit periodically and support employees to share their opinions.

The Company realizes the importance of environment and engages in many environmental projects, as well as gives knowledge to employee and improves the environmental quality continuously such as

6.1 Producing micro organism water from the fruit skin and use it to clean fat residue in the kitchen, use as fertilizer for plants and spray to keep away insects. Those help reduce the use of chemical and the waste from food scraps.

6.2 For energy conservation the light bulbs have been changed to energy saving bulbs. Glass windows and doors are heat protected. Light sensors have been installed at the car park building. Also automatic door was installed to keep the cool air inside and water saving type of bathroom appliances are used in the guestrooms.

6.3 To help reduce the waste the cancelled bed sheets and towels are made and used as hand towels replacing paper towels in the public toilets.

6.4 "Save natural resources campaign" has been set and invite guests to join by not changing bed sheets and towels everyday if guests stay more than one night. Besides that company has joined Green Leaf Project

6.5 The company has participated in Green Leaf Project to develop the efficiency of the energy usage and also to develop the tourism and hotel business environment. The aim is to focus on the energy and resource usage with realization.

6.6 The company has set up the scheme "Green ASIA Hotel" as a short term scheme for 6 months. This scheme will be finished in the mid 2014 with a scheme that GREENER BUSINESS ASIA (ILO/ILO Japan) gives a support by stick to the principle to improve companionship between the business and environment. This will enhance the surrounding of workplace especially the hotel business which increase income of the economic system, boost employment, but also use a lot of resources and affects the environment significantly. This project is held to fix the problems. If the project is carried out continuously, it will affect the society and environment which are prior activities of CSR in process of the company.

7. Involvement in society and community The Company currently doesn't determine the policy about participation in community, society but has performed society and community activities as follows

7.1 Year 2013 invited neighbors to join food offering to 108 monks. The activity is scheduled annually in April and it has been done for over 5 consecutive years.

7.2 At the beginning of 2013 the company joined activities with the community and schools nearby – Sarmachevasil School and Kingpetch School on the National Children's Day by hosting lunch and provided some activities.

7.3 On 23 March 2013, the executives and employees joined the blood donation activity with Sirirat Hospital. It is done at least once a year.

7.4 In 30 June 2013, the management and employees of the company were participating in "sport activity against drug in Krua Nuer community" by which giving awarded prizes to representatives of the board of White community (Baan Krua Nuer) development. This is to improve relationships with the community to make them use their free time for benefits.

7.5 In 16 November 2013, the management and employees were participating in "Planting for the kids" activity. The activity is to plant non-toxic vegetable garden for girls in Rajchavitee workhouse which the chief of professional training welcomed us warmly.

8. Innovation and CSR innovation propagating from social responsibility The Company currently doesn't determine the policy about innovation and CSR innovation propagating from social responsibility

10. Internal Control and Risk Management

Board of Directors committee sees the importance of a good internal control system and it is the company's policy to have internal control management system that is adequate and suitable for the internal control of the Company including the inspection for the operational control and good governance in accordance with the related law, rule regulation and policy.

The company has appointed Mrs. Linda Roongfangarm to be an Internal Auditor of the Company. Her duty is to be a consultant of the company, evaluate the internal control system, and follow up the risk management and governance of the company to be arranged sufficiently and efficiently according to the objective established. She also performs a role of inspecting the company to ensure that the practice of the company is under the rules, regulations and laws relating to the business of the company according to annual internal audits plan. Mrs. Linda Roongfangarm has performed her duty satisfactorily according to the internal audit procedure of 2013.

Since 2013, the company has developed the evaluation method based on coso's concept (The committee of Sponsoring Organization of the Treadway Commission). The adequacy of the internal control system finds that the company has a concise, appropriate and adequate control system. Each of the system in the company is controlled with enough efficiency and effectiveness. The operations have been carried out according to the rules, regulations and laws without any significant faults in the internal control system.

Audit Committee has audited according to the audit form of adequacy and suitability for internal control of the SEC of Thailand and SET by considering 5 aspects for internal control and proposed to the meeting of board of directors No. 2/2557 that held on 17 February 2014. The conclusion was that the Company has adequacy and suitability for internal control of the existing operation according to 5 aspects and 17 sub aspects for the internal control as follows:

1. Control Environment: the board of director of the company has established the operation policies, which were conducted in writing based on ethical provision and integrity. The committee has the role of surveillance, monitoring the administrative section and follow up the business performance respecting the particular objectives. The committee can also develop the internal control system continuously in accordance with their discretion and knowledge of the company. The company also has a policy to develop and preserve the competent personnel. The personnel evaluation is assessed through the performance based on the Code of Conduct.
2. Risk Management: The Company lends significance to the risk management by forming the risk management team to conduct the assessment on risks that might affect the Company's operation significantly from both internal and external risk factors. The company has assessed risk factors whether it is acceptable or not and also evaluated if the risk factors can be reduced, avoided or shared to find out measures for preventing or reducing the risk by considering a chance of corruption within the company. Another purpose is to consider the situation related to risk factors for evaluating the tendency of any effect on the company.
3. Control activities: The Company has clearly defined the scope of duty and amount shall be authorized by each level of management executives in writing. Duties are separated to protect racketeering activities. The company has set the follow up measure according to SET and SEC regulation to inspect the related documents in order to maintain the benefits of the company. The Company continuously monitors the operations of subsidiaries and sets the direction to the person who has been appointed by the Company to be directors or management executives to follow. Moreover, Audit Committee has placed great emphasis on assessing the compliance to the rules and regulations relating to the business activities of the Company to diminish the risk in the business and maintain the fame of the Company.

4. Information and Communication: The Company provided effective internal and external communication, accounting and financial information system as well as providing enough useful information for the board directors for consideration and making decision. Conference proceedings and documentaries also provide if any retrospective examining is required. Communication between committees, auditors, and internal auditors is also consented besides the conference. Moreover, the company provides the notification center for any compliments and complaints through the company's website.
5. Monitoring activities: The Company provided the measure to follow up internal control system continuously. The auditing result will be reported to the Audit Committee and its copy will be proposed to the management executives and inspectors for acknowledgement and taking the opinion of internal auditor to improve defects or weakness found from auditing as well as reporting the follow-up result for improvement of each department to Audit Committee.

From the auditing result of internal control of the Company in many aspects above, board of directors has opinion that the Company has follows the direction set by the SEC of Thailand and SET sufficiently and suitably. Moreover, board of directors has opinion that the Company has sufficient internal control system for any transaction relating to major shareholders, directors, management executives or related persons as mentioned above.

Audit Committee has an opinion that the internal control of the Asia Hotel Public Co., Ltd. is effective enough. This helps ensure that the assets of the Company are well protected from any corruption and damage. The accounting items are recorded suitably and the resources are utilized efficiently as well.

11. Related Parties and Transactions

Standard and procedure of entering into connected transaction

Standard of entering into connected transaction between the Company and its subsidiaries and connected parties who have conflict of interest or may have in the future are determined to be in accordance with related regulations and/or notifications of the Securities and Exchange Commission (the SEC) and/or the Stock Exchange of Thailand (the SET).

The Company's audit committee will provide opinions regarding the necessity of entering into the transactions and the properness of the prices by considering if the transactions contain common agreements and the prices can be compared to market prices. In case that the prices cannot be compared to market prices, both parties will consider together to determine a mutually agreeing price of the transaction.

In case that the audit committee does not have expertise to consider connected transactions occurred, the Company will provide an independent specialist or auditor to give opinions regarding the said connected transactions so that the Board of Directors and/or audit committee and/or shareholders can consider. Note that persons who have conflict of interest in each transaction will not be eligible to vote for the transaction.

In addition, the Company will disclose information of connected transactions and disposal or acquisition transactions for the Company or its subsidiaries to comply with the regulations of the SEC and/or the SET as well as the accounting standards issued by Institute of Certified Accountants and Auditors of Thailand

Policy or tendency of entering into connected transaction in the future

The Company and its subsidiaries may enter into connected transactions in the future. If the transactions are common business transactions which have common business conditions, agreeing persons who may have conflict of interest, especially with a company in Asia Hotel Group, such as space rental, or service between each other, the Company has determined a policy of entering into connected transaction to contain common business agreements and standard price which can be compared with market price. In case that the transaction price cannot be compared to market price, both parties will consider for mutually agreed price. This is in accordance with the concept that the Board of Directors has determined, and Securities and Exchange Act B.E. 2535, that the Company must strictly follow the agreeing contract.

Note that in case that the Company renews or makes changes about price and condition in the contract, it must report to the Company's audit committee to consider and provide opinions regarding the fairness of the price and the properness of the transaction every quarter.

The company will follow the procedure of entering into connected transaction indicated above before entering into connected transaction which has common conditions and agreements.

In year 2013, The company and its subsidiaries had 17 connected transactions as follows:-

Name and Relationship	AA, a subsidiary (in the proportion of shares of 100%) and ASIA, the registered company
Description	Inter-transaction of loan and accrued interest payable
Value (Million Baht)	Baht 31.34 Million for the year 2012 Baht 41.62 Million for the year 2013
Importance and Reasons	AA had granted loan to the ASIA for supporting the operation. The interest was calculated and the current interest rate is at 7.25%.

Name and Relationship AP, a subsidiary (in the proportion of shares of 100%) and ASIA, the registered company

Description Inter-transaction of loan and accrued interest payable

Value (Million Baht) Baht 249.42 Million for the year 2012
Baht 247.73 Million for the year 2013

Importance and Reasons AP had granted loan to the ASIA for supporting the operation. The interest was calculated and the current interest rate is at 7.25%.

Name and Relationship ASIA, a registered company and AP, a subsidiary of ASIA held share in proportion 99.42%

Description Income from rental

Value (Million Baht) Baht 1.20 Million for the year 2012
Baht 1.20 Million for the year 2013

Importance and Reasons AP rented the ASIA area for setting the office at the rental rate of Baht100,000/month.

Name and Relationship ASIA, a registered company and ABK, a holding company. Some members of board of directors (Mr. Kumpol Techaruvichit, Mr. Amorn Techaruvichit, Mrs.Suvimol Techaruvichit, Mr. Surapong Techaruvichit and Mrs.Pornpun Tanariyakul) hold shares in these two companies.

Description It was the accrued interest receivable from debt restructuring of loan

Value (Million Baht) Baht 394.64 Million for the year 2012
Baht 381.64 Million for the year 2013

Importance and Reasons It was the item that the ASIA provided financial support to the ABK since 1995-2000 with the total capital of Baht998.62 million. The debt structure had been adjusted since the year 2000. It was the fund that used by the ASIA for holding the ZP shares indirectly in the proportion of 74%. And for the accrued interest payable of Baht472 million, it had to be paid within 15 years. This item was approved by the resolution of the extraordinary meeting of the shareholders No. 1/2543.

Name and Relationship ASIA, a registered company, AA , AP, ZP, a subsidiary company and Namseng Insurance Public Company Limited “NSI” has 2 members on the board of directors of ASIA, AA, AP and hold shares in the ASIA, NSI (Mr.Kumpol Techaruvichit and Mrs.Chotima Puasiri)

Description Made property risk insurance with the third party insurance. The period of insurance was 1 year. NSI - The insurer
and ASIA, AA, AP, ZP - The insured

Value (Million Baht) ASIA= Baht 0.69 Million for ASIA premium :Baht 591.5 million
AA = Baht 0.51 Million for AA, premium: Baht 427.4 million
AP = Baht 0.59 Million for AP, premium: Baht 460 million
ZP = Baht 1.29 Million for ZP, premium: Baht796.5 million

Importance and Reasons It was the insurance made for supporting normal business with the general trading conditions and the remuneration can be calculated from the assets and referred values.

Name and Relationship AA, a subsidiary of ASIA held share in the proportion 100% and ZP subsidiary of ASIA (in the proportion of shares of 94.85%)

Description AA rented 5th floor area from ZP to use as function room

Value (Million Baht) Baht 8.71 Million for the year 2012
Baht 9.52 Million for the year 2013

Importance and Reasons AA rented area on 5th floor with an area of 9,072 square meters from ZP to use as function room. Rental period is 3 years from 1st April 2010 to 31st March 2013 by using the same rate as the other clients in nearby area.

Name and Relationship AA, a subsidiary of ASIA held share in the proportion 100% and ZP subsidiary of ASIA (in the proportion of shares of 94.85%)

Description AA extending rental contract period of area 39,380 square meters with ZP

Value (Million Baht) Baht 390 Million as the end year 2013

Importance and Reasons AA has leased some areas of G floor, the 6th floor and the 9th floor and entire area of the 10th -17th floor, with a total area of 39,380 square meters from ZP. The contract period will be expired on Mar 31, 2023 or 12 years remaining. On Dec 18, 2009, AA renewed the lease contract for extension of the contract period for another 16 years that is from April 1, 2023 to Mar 31, 2039 or 28 years remaining. ZP charges the lease rate at Baht 390 Million, it will be paid in 3 installments; Baht 170 Million in December 2009, Baht 180 Million in February 2010 and Baht 40 Million in June 2010. These lease rate included the monthly service fee of Baht 0.59 million (starting April 2023), the rate will be adjusted of 10% increasingly at every 3 years. The value of lease rate is concordant with the value evaluated by valuers approved by the Thai Valuers Association (TVA) and the Valuers Association of Thailand (VAT) that is Agency for Real Estate Affairs Co., Ltd. valued at Baht 425 Million.

Name and Relation AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)

Nature of Transaction Income from rental area and service fee AA received from ZP

Value (Million Baht) Baht 1.46 Million for the year 2012
Baht 1.56 Million for the year 2013

Necessity and Rationality ZP rented the area on 8th floor with area 520 square meters with a 3-year contract from 1 July 2012 to 30 June 2015 at the same rate as the other clients in the nearby area.

Name and Relation AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)

Nature of Transaction Income from area rental AA received from ZP

Value (Million Baht) Baht 1.17 Million for the year 2012
Baht 1.28 Million for the year 2013

Necessity and Rationality ZP rented 6th floor area from AA with 3 years contract from January 1st, 2013 to December 31st, 2015 with the same rate as the other clients in the nearby area

Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Income from Maintenance Fee ZP received from AA
Value (Million Baht)	Baht 2.06 Million for the year 2012 Baht 2.21 Million for the year 2013
Necessity and Rationality	AA hired personnel from ZP for maintenance service of electrical tools and devices in the hotel area. AA pays for the service fee to ZP monthly. The contract is 1 year from January 1 st , 2013 to December 31 st , 2013.

Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Rental transaction “Asia Cha-am Hotel” running hotel business (AA is a rentee and ZP is a renter)
Value (Million Baht)	Baht 12.20 Million for the year 2012 Baht 12.03 Million for the year 2013
Necessity and Rationality	ZP is the owner of property Asia Cha-am Hotel, Petchaburi Province. The bid for rental fee and managing hotel business has been made and AA has been selected to operate the hotel business by using the name “Asia Cha-am Hotel”. The 3 years rental contract includes the rental right of 25 million Baht and monthly expenses of 450,000 – 1,100,000 Baht. Throughout the contract period of 3 years the total expense is Baht 58.30 million. Later, the rental contract is extended for 3 years (1 November 2013 – 31 October 2016) the total expense is 67.045 Million Baht.

Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Income from rental area for parking, ZP received from AA
Value (Million Baht)	Baht 0.47 Million for the year 2012 Baht 0.52 Million for the year 2013
Necessity and Rationality	AA rented parking area from ZP for the convenience of hotel clients with 1 year contract from March 1 st , 2012 to February 28 th , 2013 at the rate of Baht 39,930.- per month. Later AA extends the contract for 3 years (from March 1 st , 2013 to February 29 th , 2016) with a rental rate of 43,923 baht/month for the 1 st year, 48,315 baht/month for the 2 nd year and 53,147 baht/month for the 3 rd year.

Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Income from management service for parking income, ZP received from AA
Value (Million Baht)	Baht 0.52 Million for the year 2012 Baht 0.62 Million for the year 2013
Necessity and Rationality	AA uses the parking management service from ZP with 2 years contract period from June 1 st , 2012 to May 31 st , 2014 at the rate of first year Baht 49,022.64 per month and the second year Baht 53,925.00 per month. Later, AA move the rental area from outside the building to inside the car-park building and ZP procured 1 staff to look around the exit area, contract period of 2 years since June 1 st , 2012 to May 31 st , 2014. The management fee is the same rate as the other clients in the complex.

Name and Relationship	-ZP, a subsidiary of ASIA, held share in proportion 94.85%. And DM, a related company. Some members of board of directors held shares in ZP and DM. These directors are Mr. Surapong Techaruvichit and Mr. Tospol Vachiradecha
Description	ZP rented the land from DM as the real property investment
Value (Million Baht)	Baht 17.34 Million for the year 2012 Baht 17.34 Million for the year 2013
Importance and Reasons	It was that ZP had made subleasing the land from DM, which was the location of the ZEER project. The leasing contract period is 30 years, from year 1993-2023. The resolution of EGM in 2 nd quarter of 2007 approved extension of lease agreement for another 25 years. Total remaining period is 36 years and 3 months according to TAS40 (Revised 2009)

Name and Relationship	ZP, a subsidiary of ASIA, held share in proportion 94.85%. And DM, a related company. Some members of board of directors (Mr. Surapol Techaruvichit and Mr. Surapong Techaruvichit) held shares in ZP and DM.
Description	Debt guarantee transaction of ZP secured by DM
Value (Million Baht)	Amount of Baht 1,230 Million to guarantee for credit line
Importance and Reasons	It is a condition of Financial Institution that ZP is given a credit with DM security because ZP sub-leased the land and construction from DM and without any payment used as a guarantee.

Name and Relationship	-Zeer Ice Skate Co., Ltd. (ZI) (a normal business partner of ZP, it was the unrelated company) and ZP, a subsidiary of ASIA, held share in proportion 94.85%.
Description	Debt guarantee transaction of ZI secured by ZP
Value (Million Baht)	Baht 100.0 Million
Importance and Reasons	It is a condition of Financial Institution that ZI is given a credit with ZP security

Name and Relationship	- T & W Partnership Ltd. (TW) (a normal business partner of ZP, it was the unrelated company) and ZP, a subsidiary of ASIA, held share in proportion 94.85%.
Description	Debt guarantee transaction of TW secured by ZP
Value (Million Baht)	Baht 9.11 Million
Importance and Reasons	It is a condition of Financial Institution that TW is given a credit with ZP security

12. Summary of Financial Information

2.1 Consolidate Performance

Summary Status of Asia Hotel Public Company Limited and its subsidiaries

Unit: Million Baht

	<u>2013</u>	<u>2012*</u>	<u>2011*</u>
Income from hotel business	730.58	628.42	461.69
Rental and Service Income	585.64	526.27	445.34
Total Revenues	1,316.22	1,154.69	907.52
Gross Profit	608.70	474.42	321.67
Other Income	473.81	97.57	92.32
Earning before interest and tax- EBIT	807.41	355.78	235.05
Net Profit (Loss)	499.25	159.18	58.58
Net profit (loss) per shares-EPS	15.60	4.97	1.85

Summary Status

Total Assets	10,042.22	9,592.75	8,965.23
Total Liabilities	3,848.38	3,872.50	3,812.53
Shareholders' Equity	6,193.84	5,720.25	5,152.70

2.2 Financial Ratio

Financial Ratios of Asia Hotel Public Company Limited and its Subsidiaries

	<u>2013</u>	<u>2012*</u>	<u>2011*</u>
Gross Profit Margin (%)	46.24	41.09	35.44
Net Profit (loss) Margin(%)	27.89	12.71	5.86
Return on Assets (%)	5.09	1.72	0.69
Return on Equities (%)	8.38	2.93	1.10
Debt on Equity –D/E (times)	0.62	0.68	0.74
Book Value per share (Baht)	193.56	178.76	162.62
Weight average number of common shares**	32,000,000	32,000,000	31,686,504

Remark : * The business performance in 2012 and 2013 are in the process of adjustment to comply with new accounting standard.

** Basic earning per share is computed by dividing net profit for the year by the weight average number of common shares outstanding during the year, less number of the parent company's shares held by the subsidiary.

13. Analysis and explanations by the management

1. Overall picture of the business operations

In 2013 the company and subsidiaries had total revenue of 1,316.22 million baht, an increase of 161.53 million baht, or 13.99% with continuous growth in the hotel and space leased business. The company and its subsidiaries had revenue from the hotel business totaling 730.58 million baht, an increase from the previous year by 102.16 million baht, or 16.26% higher, and the revenue from the space leased business totaled 585.64 million baht, an increase from the previous year by 59.37 million, or up by 11.28%. It had the gross profit totaled 608.70 million baht, an increase from the previous year by 134.28 million baht, or 28.30%. It had the net total profit (the net worth of the parent company) amounted to 499.25 million baht, an increase from the previous year by 340.07 million baht, or 213.64%.

During the first nine months of 2013, foreign tourists came to Thailand rather higher than the previous year, so the tourism industry of Thailand overall had continuous growth, although it was impacted by the political demonstrations in Bangkok that took place at the end of 2013 continuously to 2014. Nevertheless, the foreign tourists who came to Thailand during the fourth quarter 2013 still had an increased number from the same period over the last year. It had continuous growth in the tourist group resulted in hotel business to have an expansion and considered as a good signal for the hotel business. Moreover, if the political demonstration situations could be stopped quickly, so 2014 would be a very good year for tourism industry of Thailand.

In the part of leasing space operated by Zeer Property PCL, which is a subsidiary 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. While the commercial building located in the U.S.A. had growth revenue according to the adjustment of the rent rate in the contract as well.

2. Operation results and profitability

In an analysis of the operation results for 2013 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 2013 in the amount of 730.58 million baht, an increase from the previous year by 102.16 million baht, up by 16.26%. 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:

a) Income from the rooms

The company and its subsidiaries operated four hotels consisted of Asia Hotel, which situated in Rajathevee 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 2013 totaled 459.09 million baht, an increase from the previous year by 73.59 million, or 19.09% higher. It was resulted from all the hotels had increased occupancy rate with the average rate of the four hotels in 2013 equaled to 66.79%. While the previous year had the average rate of occupancy equaled to 53.71%. The hotel had the rate of occupancy in 2013 was highest was in Asia Hotel Bangkok, although it received some impact the political demonstrations occurred at the end of 2013. Because in the first nine months had the very good rate of occupancy, while the hotel with the least occupancy in 2013 was in Asia Hotel Cha-um due to its last opening, so it takes some time to build up the customer base.

Nonetheless, the average room rate of the four hotels in 2013 decreased from the previous year a little with the average room rate in 2013 equaled to 1,200 baht. While in the previous year had the average room rate equaled to 1,232 baht. Asia Hotel Bangkok, Asia Hotel Pattaya and Asia Airport Hotel had the average room rate reduced from the previous year a little, but Asia Hotel Cha-um had the average room rate increased from the previous year by about 7%, resulted from opening new guest rooms.

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 2013 it had the revenue from the serviced apartments was 9.29 million, or about 9% of the guest room income of Asia Airport Hotel Rangsit.

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2013	2012	2013	2012	2013	2012
Revenue	459.09	385.50	271.49	242.92	730.58	628.42
Revenue from hotel business	62.8%	61.3%	37.2%	38.7%	100.0%	100.0%
Proportion of room : F&B						
Cost of sale	261.98	243.14	190.95	167.88	452.93	411.02
Cost ratio (Cost of Sale/ Revenue)	57.1%	63.1%	70.3%	69.1%	62.0%	65.4%
Gross Profit	197.11	142.36	80.54	75.04	277.65	217.40%
GP margin (Gross profit/Revenue)	42.9%	36.9%	29.7%	30.9%	38.0%	34.6%

b) Income from food and beverages

The company and its subsidiaries had the income from food and beverages from restaurants and banquets in 2013 amounted to 271.49 million baht, increased from the previous year in the amount of 28.57 million baht, or 11.76% higher. They had the ratio of the room to income from food and beverage in 2013 was 62.8: 37.2, which is near the same thing in 2012, or 61.3:38.7. While they had income from food and beverages reduced from the previous year a

little due to 2013 the income from the room grew by 19.09%, which was higher than the revenue from food and beverages could make up by 11.76%.

The income from food and beverages would consist of coming from the restaurants in the hotel and from the general banquets. 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 guests come to stay more, the more income from food and beverages to follow. In 2013 the income from restaurants grew continuously, while income from the banquets depended on marketing to have customers to hold a meeting, seminar or banquet. The impacting factors are economic situations and political unrest, etc.

In the fourth quarter of 2013, Asia Hotel Bangkok was affected by the situation on the political demonstrations in Bangkok resulted in the private and public customers requested to postpone or cancel the seminars or the banquets, so caused the income from the banquets in 2013 could not meet the target.

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.

The leasing business of the company expanded well continuously according to the economic conditions in 2013. The company and its subsidiaries had income from rent and service amounted to 585.64 million baht, increased above the previous year by 59.37 million baht, or 11.28% higher, resulted from the number of increased leased area and increased rent and service cost according to the contractual conditions agreed with the customers. Also the economic conditions in the USA had a trend to recover gradually, so there was demand for increased space for business.

Other Revenue

Other revenue consisted of the profit from adjustment of the fair value of the investment real estate (assets of Zeer Property), insurance compensation, received interest, cost of laundry, telephone, other costs collected from customers and miscellaneous things and dividends from the subsidiaries (Realized from the consolidated profit and loss account from the parent company only).

Details on other incomes	2013		2012		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Gain from fair value adjustment of investment properties	412.37	87.03	15.23	15.61	397.14	2,608
Income from insurance compensation			30.00	30.75	(30.00)	-100.0
Other incomes	61.44	12.97	52.34	53.64	9.10	17.39
Total other incomes	473.81	100.00	97.57	100.00	376.24	385.61

In 2013 the company and its subsidiaries had other revenues totaling 473.81 million baht, increased from the previous year up to 376.24 million baht, or 385.61% higher. The main reason with other comes increased considerably due to the 2013 annual consolidated financial statement of the company and subsidiaries had a higher profit from adjusting the fair value of the real estate for invest such as Zeer Building, Rangsit and the Glendale & Glenhurst commercial buildings in the USA, which assessed by an independent assessor by the income approach method was 412.37 million. While in 2012 they had a profit from adjusting the fair value of the real estate for investment was 15.23 million baht. So it had a profit from adjusting the fair value increased by 397.14 million baht, or 2.608% higher. While other service costs and miscellaneous incomes adjusted higher according to the increased revenue.

Cost of sale and service

Cost of sale and service consists of three main items according to the type of revenue from the operations are the cost of sale from hotel operations, rentals, services and interest, land rental according to the lease contract amortization as a cost of income from rent and service.

In 2013 the company and its subsidiaries realized the cost of sale and service totaled 707.53 million baht, increased from the previous year by 27.26 million baht, or 4.01% higher with a little growth of the total revenue equaled to 13.99%. So the company had the gross profit margin better, with the gross profit in 2013 equaled to 46.25% of the revenue from the operations, while the previous year had the gross profit of 41.09%. The cost of sale and service can be classified according to the following operations.

a) Cost of room sale

In 2013 the company and its subsidiaries had the cost of room sale of 261.98 million baht, increased over the previous year by 18.84 million baht, or 7.75%, with the cost ratio for food and beverages for 2013 and 2012 equaled to 57.1% and 63.1%, and had the gross profit margin for 2013 and 2012 equaled to 42.9% and 36.9% respectively. In the increased gross profit margin showed the company and its subsidiaries had profitability better than the previous year, resulted from the increased room rates by 19.09% and the control of the cost with efficiency, so the cost of room sale was reduced from the previous year.

b) Cost of food sale and beverages

In 2013 the company and its subsidiaries had the cost of food and beverage sale of 190.95 million baht, or increased by 23.07 million baht, or 13.74% increase from the previous year. They had the ratio of the cost of food and beverage sale for 2013 and 2012 equaled to 70.3% and 69.1% and the gross profit margin for 2013 and 2012 equaled to 29.7% and 30.9% 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.

c) Cost of rental and service

In 2013 the company and its subsidiaries earned the cost of rent and service at 237.26 million baht, or reduced by 14.66 million baht, or decreased by 5.82% from the previous year due to depreciation cost and reduced operations. While the interest, land rental under the lease amortization, which considered as part of the cost of the rentals and service for the previous year was 17.34 million baht. Thus, when the cost combined with the rentals and service plus the interest, cost of land lease under the lease contract amortization, so the proportion of the costs for 2013 and 2012 equaled to 43.5% and 51.2%, and the gross profit margin for 2013 and 2012 equaled to 56.5% and 48.8% respectively.

Expenses on the sale, administration and others

In 2013 the company and its subsidiaries incurred the expense on sale and service and other expenses totaled 275.09 million baht, increased from the year before by 58.88 million baht, or 27.23% higher, 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 2013 amounted to 40.85 million baht, increased from the previous year by 7.42 million baht, or 22.20% increase.
- Expense on administration cost in 2013 amounted to 209.64 million baht, increased by 31.10 million baht, or 17.55% higher.
- Compensation for the management in 2013 amounted to 19.76 million baht, increased from the previous year by 1.57 million baht, or 8.63% increase.
- Compensation for the directors in 2013 amounted to 3.59 million baht, increased from the previous year by 0.07 million baht, or 1.99% higher.
- In 2013 had a transfer on the allowance for doubtful debts of 0.91 million baht and a write-down of 2.16 million baht. While in the previous year had a transfer on the doubtful debts of 18.19 million baht and a write-down of 0.92 million baht.

Profit before the financial cot and the income tax

In 2013 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 807.41 million baht, increased from the previous year by 451.63 million baht, or 126.94% higher. It resulted from the company and its subsidiaries had revenue growth continuously and had other incomes. Especially the profit from adjusting the fair value of real estate for investment increased from the previous year rather high. It had the EBIT margin equaled to 45.11%, which is higher than the previous years rather high (2011 and 2012 had the EBIT margin equaled to 22.90% and 28.41% respectively) shows profitability from the operations increased continuously.

Financial cost

In 2013 the company and its subsidiaries had the financial cost amounted to 119.39 million baht, or decreased from the previous year by 5.73 million baht, or down by 4.58%, 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 is the main financial cost has gradually decreased according to the financial loans were reduced.

Earnings before Interest and Taxes (EBIT)

In 2013 the company and its subsidiaries had the EBIT totaled 688.02 million baht, or increased from the previous year of 457.36 million baht, or 198.28% higher, and the company incurred a tax expense in 2013 totaled 163.04 million baht, increased from the previous year by 98.75 million, or 153.60% higher. The tax expense adjusted higher in compliance with the profit before the income tax increased over the previous year.

Net Profit

Ratio of profitability

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net profit margin percentage	27.89	12.71	5.86
Return on equity (ROE) percentage	8.38	2.93	1.10
Return on assets (ROA) percentage	5.09	1.72	0.69

In 2013 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 499.25 million baht, increased from the previous year by 340.07 million baht, or 213.64%, and the gross profit per share in 2013 equaled to 15.60 baht (In 2012 had the profit per share equaled to 4.97 baht). The company had the net profit rate equaled to 27.89%, which adjusted much higher from the previous years (2011 and 2012 had the net profit equaled to 5.86% and 12.71% respectively). It shows they had profitability increased continuously with the return on equity (ROE) in 2013 equaled to 8.38% and the return on assets (ROA) equaled to 5.09%, adjusted much higher from the previous years as well.

3. Capability of Asset Management

Structure of the assets

As of 31 December 2013 the company and its subsidiaries had the consolidated assets amounted to 10,042.22 million baht, increased over the previous year by 449.47 million baht, or 4.69% higher. It has details on the increase or decrease from the previous year of each type of assets as follows:

The company and its subsidiaries had the consolidated current assets of 266.49 million baht, increased from the year before by 49.07 million baht, or 22.57% higher. Since the company had trade debtors and other debtors increased from the year before by 47.01 million baht, consisted of trade debtors-net increase by 26.10 million baht, and other debtors increased by 20.91 million baht, included the prepayment for the balance of the construction cost of 21.50 million baht.

The company and its subsidiaries had non-current assets totaled 9,775.73 million baht, increased over the previous year by 400.40 million baht, or 4.27% higher. Since there was an increased investment and adjustment of the fair value of real estate for investment, so the increased value by 508.12 million baht. While at the building and equipment – net decrease from the previous year 104.22 million baht since there is a deduction of the depreciation cost.

The structure of the assets of the company and its subsidiaries on 31 December 2013 compared with 2012 can be summarized as follows:

List of Assets	2013		2012 (Adjusted)		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Working assets	92.69	0.92	90.58	0.94	2.11	2.33
Cash and the equivalent	0.62	0.01	0.60	0.01	0.02	3.33
Temporary investment	132.37	1.32	85.36	0.89	47.01	55.07
Trade debtors and other debtors	40.81	0.41	40.88	0.43	(0.07)	-0.17
Inventory						
Total working assets	266.49	2.66	217.42	2.27	49.07	22.57
Non-current assets						
Deposits with financial institution for guarantee	4.00	0.04	4.00	0.04	-	-
Long-term loan for related business	80.38	0.80	86.58	0.90	(6.20)	-7.16
Real estate for investment	5,174.40	51.53	4,666.28	48.65	508.12	10.89
Land, building and equipment	4,434.58	44.16	4,538.80	47.32	(104.22)	-2.30
Deferred income tax	60.52	0.60	58.86	0.61	1.66	2.82
Prepaid rent	13.17	0.13	14.38	0.15	(1.21)	-8.41
Non-current assets	8.68	0.09	6.43	0.07	2.25	34.99
Total non-working assets	9,775.73	97.34	9,375.33	97.73	400.40	4.27
Total assets	10,042.22	100.00	9,592.75	100.00	449.47	4.69

In the above table can be seen that the company and its subsidiaries had the same structure of the assets or current assets of about 3% and the non-current asset of about 97%. The company had the return of assets increased continuously following the growth of the net profit that is more than the growth rate of assets.

Trade debtors and other debtors

As of 31 December 2013 the company and its subsidiaries had trade debtors and other debtors amounted to 132.37 million baht, increased over the previous year by 47.01 million baht. It consisted of trade debtors – net increase by 26.10 million baht, 33.68 % higher than the previous year. As a result, the company and its subsidiaries had higher income from the operations increased, and other debtors increased by 20.91 million baht. But since in 2013 Zeer Property started a dormitory construction project, so it had construction prepayment and had the total balance at the end of year 2013 amounted to 21.50 million baht, it included in other debtor items, while the previous year did not have.

Details on trade debtors and other debtors	2013		2012		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade debtors – net						
Trade debtor – hotel business	39.10	37.74	40.29	51.99	(1.19)	-2.95
Trade debtor-leasing business	64.49	62.26	37.20	48.01	27.29	73.36
	103.59	100.00	77.49	100.00	26.10	33.68
Other debtors						
Construction prepayment	21.50		-		21.50	100.00
Advance payment and other debtor	7.28		7.87		(0.59)	-7.50
	28.78		7.87		20.91	265.69
Total trade debtors and others	132.37		85.36		47.01	55.07

In 2013 the company and its subsidiaries had the average debt collection of about 30 days, which was consistent with the policy on giving credit of the company. It has details on analysis of the debtors of Asia Hotel (AS) and two subsidiaries (AP & AA) that operated the hotel business and Zeer Property (ZP) that operated the shopping center as follows:

Analysis of trade debtor life On 31 December 2013	AS, AP, AA Hotels		ZP Space Leasing		Total
	Million Baht	%	Million Baht	%	Million Baht
Before the due debt	16.93	37.32	7.28	9.89	
Debt owed 1-30 days	10.15	22.37	26.22	35.61	
Debt owed 31-60 days	1.81	3.99	11.07	15.04	
Debt owed 61-90 days	2.46	5.42	8.88	12.06	
Debt owed 91-365 days	7.75	17.08	14.74	20.02	
Debt owed more than 1 year	<u>6.27</u>	<u>13.82</u>	<u>5.43</u>	<u>7.38</u>	
	45.37	<u>100.00</u>	73.62	<u>100.00</u>	118.99
<u>Deduct</u> – Allowance for bad debts	<u>(6.27)</u>		<u>(9.82)</u>		<u>(16.09)</u>
Trade debtor – net	39.10		63.80		102.90
Prepaid check			0.69		0.69
Total trade debtor – net	39.10		64.49		103.59

Policy on setting up doubtful debts

The company and its subsidiaries that operated the hotel business set up the doubtful debts for the whole amounts of the close-down businesses or while filing a lawsuit and the debtors owed by more than one year. Moreover, the trade debtors that did not meet the above conditions the company and its subsidiaries would consider from the results on collection in the past and the financial status of each debtor.

Zeer Property that operated the shopping center business and space leasing has set up the cost of doubtful debts from the trade debtors equaled to the amount expected to be bad debts. It

considered from the results of debt collection in the past and the financial status of each debtor. As for the debtors that owed more than 180 days, so they would be set up for the doubtful debts in full from the balance after deducting the security deposit.

In 2013 the company and its subsidiaries set up the net doubtful debts additionally amounted to 5.89 million baht. So the company had doubtful debts increased from 10.20 million baht at the end of 2012 to 16.09 million baht at the end of 2013, the company believed the doubtful debts set up would be suitable and sufficient.

Inventory

As of 31 December 2013 the company and its subsidiaries had net inventory of 40.81 million baht, decreased from the previous year just 0.07 million. It consisted of inventory of the restaurant business amounted to 8.59 million baht and the inventory of the hotel business of 32.22 million baht. The company and its subsidiaries had the current inventory ratio in 2013 equaled to 18 times and the duration of average goods sold equaled to 20 days, which was closed to 2012 with the working inventory and the average selling time equaled to 17 times and 21 days respectively.

The company and its subsidiaries had the policy on setting the goods value depreciation for the deteriorated, damaged and old goods with the depreciation cost decreased at the end of 2013 for 0.140 million baht, which was close to the previous year (0.142 million baht).

Real Estate for Investment

The company and its subsidiaries recorded the initiation cost of real estate for investment at cost, which included the cost of making it. After that they would record the real estate for investment with the fair value.

The real estate for investment consisted of the real estate held for earnings from income and rentals according to the fair value assessed by an independent assessor, assessed every 3-5 years. However, the management shall verify the fair value to reflect on the market situations at least at the end of each year. The fair value calculated from the cash flow discounted the rentals from the present lease contract, including the future rentals within the present market conditions in the net cash flow expected to incur due to the real estate. The discounted rate used to reflect the assessment of the present market situation on the money value and updated by the suitable risk factor, the profit or loss from changing the fair value realized in the consolidated profit and loss account.

As of 31 December 2013 the fair value of the real estate for investment amounted to 5,174.40 million baht, increased from the previous year by 508.12 million baht. It is due to the subsidiaries invested net investment in the real estate for 95.75 million baht and recorded the profit from adjustment of the fair value of real estate for investment in 2013 amounted to 412.37 million baht.

Land, Building and Equipment

As of 31 December 2013 the company and its subsidiaries had the net book value of the land, buildings and equipment valued at 4,434.58 million baht, down from the previous year by

104.22 million baht, or 2.30% lower, which during 2013 it had the net cost of the assets increased by 13.11 million baht and the depreciation cost of 127.92 million baht without additional assessment this year. The company and its subsidiaries had the rate of asset turning in 2013 equaled to 0.18 times, which increased from the previous year by 0.13 times. The increase or decrease of land, buildings and equipment in 2013 and depreciation charge of the asset value can be summarized according to the table below.

Land, Building and Equipment (Unit: Million Baht)	31 Dec.2013		Increased Purchase Sale/Transfer		31 Dec.2013	
	Old Cost	Better Cost	Increase	Decrease	Old Cost	Better Cost
Cost/increased price						
Land and cost of land	251.75	2,140.97	0.36	13.26	252.11	2,140.97
improvement	1,225.22	1,216.90	0.88		1,226.10	1,216.90
Building and its improvement	1,591.54		25.13		1,603.41	-
Equipment, vehicle and others	3,068.51	3,357.87	26.37	13.26	3,081.62	3,357.87
Total cost and appreciated price	6,426.38				6,439.49	
Accrued depreciation cost						
Cost of land improvement	1.54				1.54	
Building/improvement-old cost	669.88		17.71		687.59	
Building/improvement-depreciated price		136.06	38.45			174.51
Equipment, vehicle and other	1,080.10		71.76	10.59	1,141.27	
Total accrued depreciation	1,751.52	136.06			1,830.40	174.51
	1,887.58		127.92	10.59	2,004.91	
Net accounting value						
Land and cost of improvement	250.21	2,140.97			250.57	2,140.97
Building and its improvement	555.34	1,080.84			538.51	1,042.39
Equipment, vehicle and others	511.44				462.14	
Total net accounting value	1,316.99	3,221.81			1,251.22	3,183.36
	4,538.80				4,434.58	

4. Liquidity and Sufficiency of the Capital of the Company

Ratio of liquidity

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Liquidity ratio (time)	0.71	0.50	0.39
Ratio of quick ratio (time)	0.60	0.41	0.29

As of 31 December 2013 the company and its subsidiaries had current assets increased from the previous year by 49.07 million baht and current liabilities reduced from the previous year by 53.19 million, resulted in the increased working capital, so more liquidity with the liquidity ratio and the quick ratio improved continuously.

Debt Management Ratios

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt to equity ratio (time)	0.62	0.68	0.74
Interest coverage ratio (time)	5.98	4.89	3.53

During 2011 – 2013 the company and its subsidiaries had consolidated liabilities rather constant about 3,812 – 3-872 million, while the net worth gradually increased from 5,153 million baht in 2011 to 6,194 million baht at the end of 2013. It was a result from the company had continuously increased profit, so the ratio of debt to net worth reduced respectively from 0.74 times at the end of 2011 to 0.62 times at the end of 2013, considered to have the capital structure that is suitable and safe.

During 2011-2013 the company and its subsidiaries had net cash flow from the operation activities continuously from 265 million baht in 2011 to 431 million baht in 2013. While the loans from the financial institutions reduced, resulted the company and its subsidiaries gradually repaid the loans from the financial institutions according to the contractual conditions. The interest paid is the main cost of finance gradually reduced according to the reduced loan burden, so the ratio of interest payment had a trend to increase continuously from 3.53 times in 2011 to 5.98 times in 2013.

Cash Flow

The company and its subsidiaries had a cash flow statement from various activities according to the cash flow statement in the past three years as follows:

(Unit: Million Baht)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net cash derived from the operations	431.37	423.03	264.82
Net cash used in investment activities	(142.74)	(148.04)	(336.80)
Net cash used in procurement of money	<u>(286.99)</u>	<u>(223.18)</u>	<u>19.67</u>
Cash & the equivalent increased (decreased)	1.64	51.81	(52.31)
Difference from conversion of finance	<u>0.46</u>	<u>(0.57)</u>	<u>0.34</u>
Cash & the equivalent net increased (decreased)	<u>2.10</u>	<u>51.24</u>	<u>(51.97)</u>

In 2013 the company and its subsidiaries had net cash derived from the operations by 431 million baht increased from the year before a small amount, with cash from the operations increased continuously so the liquidity and working capital was sufficient for the operations. The company paid net cash in the investment activity amounted to 143 million baht, which was a purchase of real estate for investment and permanent property. It also paid net cash in the activity of procuring funds for 287 million baht, which is the repayment to the financial institutions.

Investment Expenditures

As of 31 December 2013 the fair value of the invested real estate in the consolidated financial statement had the amount of 5,174.40 million baht, increased over the previous year by 508.12 million baht (2012 equaled to 4,666.28 million baht) due to Zeer Property, which is a subsidiary had increased net investment in real estate amounted to 95.75 million baht. It recorded the profit from adjustment of the fair value of the real estate for investment in 2013, assessed by an independent assessor according to the income approach at 412.37 million baht.

The fair value of the real estate for investment in the consolidated financial statement on 31 December 2013 valued at 5,174.40 million baht consisted of two parts of assets are the income generation and the non-income generation with the following details.

The income-generating part assessed by the income approach consisted of two places of real estate are,

- Zeer Rangsit Building had the fair value of 4,778 million baht, assessed according to the remaining lease contract of 34 years 3 month, assessed by Modern Property Consultant Ltd., which is an independent assessor, dated 25 January 2014.
- Glendale & Glenhurst in the USA had the fair value of 211.92 million baht (\$ 6.90 million dollars) assessed by Greenwich Realty Advisors Incorporated on 22 November 2013.

While the non-income part is the building under construction recorded by the cost method valued at 184.48 million baht

Zeer Property has invested in construction of dormitory buildings for rent on the back of Zeer Shopping Center building, Rangsit, and prepared to build “Zeer 2 Project,” which is a new shopping center building on the side of Zeer Rangsit Shopping Center Building at present with a corridor. Both projects still under construction with financial support on the construction from the bank, but in the initial phase it did not spend too much money, so it used the working capital of the company for the preliminary operations.

Sources of Investment Funds

(1) Cash flow from the operation activities

While the company and its subsidiaries had net cash flow from the operation activities increased continuously from 265 million baht in 2011 to 431 million in 2013, so the company had sufficient liquidity and working capital for the operations and the general expenses. For instance, the improvement of the guest rooms and the banquet rooms, as well as the preliminary investment was made in its new project.

(2) Loans from financial institutions

As Zeer Property had investment in the project construction of dormitory buildings and Zeer 2 Project, which is a new shopping center building on the side of Zeer Rangsit shopping center building at present, the company received credit approval for construction from a financial institution, so it had sufficient financial sources with appropriate conditions to repay the loan suitably.

5. Burden on Liabilities

The consolidated liabilities of the company and its subsidiaries as of 31 December 2013 had 3,848.38 million baht compared with the total consolidated liabilities on 31 December 2012 valued at 3,872.50 million baht. The liabilities were reduced by 24.12 million baht, as a result from the company and its subsidiaries gradually repaid the loans from the financial institutions according to the conditions in the loan contracts, so the overdraft accounts and the short-term loans from the financial institutions were reduced by 63.50 million baht, and the long-term loans reduced by 73.71 million baht.

Summary Table of Debt Burden and Various Obligations of the Company and Its Subsidiaries

(Unit: Million

Baht)

Debt Burden and Obligation	Total	Payment Duration			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term loan	1,698.44	131.68	395.04	395.04	776.68
Debts according to the financial lease contract	0.39	0.23	0.16	-	-
Present value of the creditor on the land lease realized by the method of financial leasing method (Included the deferred interest on land rental)*	289.77				
Deferred liabilities and taxes	1,345.55				
Binding burden of the employees' benefit	60.38				
Security deposit received from customers	159.28				
Cost of project construction of Zeer Property	508.33				

*The land rent creditor realized by the financial leasing contract from the lease operation contract, which the subsidiary, or Zeer Property, recorded as real estate for investment signed the land lease of 78 rai 1 ngan (125,200 sq. m) for the leasing life of 30 years ended 31 March 2023. The repayment of land lease rent realized by the method of financial leasing method. The subsidiary recorded the difference of the interest calculated by the cash flow value by the discount rate of 6.125 percent per year with the installments to repay according to the contract in the account "Interest on deferred land rent," and started paying the principal in April 2015 onwards.

Minimum Payment for the Financial Lease Contract as follows

(Unit: Million Baht)

Binding Burden	Total	Duration of Payment			
		Less than 1 year	1-3 Years	3-5 Years	More than 5 years
Creditor of land rent realized by the method of financial lease contract	607.954	25.982	54.266	58.585	469.121

6. Factors or Events that affected the operations or Future Financial Status

1. External factors with effects on the hotel business

In the hotel business operations, the operations results of the company and its subsidiaries depended on the situation of the tourism industry primarily, which can be affected from external factors beyond control of the company are:

1.1 Economic and political factors. The tourism sector of the country was affected by the internal political situations of the country since November, coupled with the impact from China announced the law protecting Chinese tourists, so affected the growth of Chinese tourists from October 2013. The most impacted operators were those in Bangkok metropolis and the Northern region, which is the main destination of the Chinese tourists, especially the hotel business group that accepted the tour groups from China principally. As a result, the application of the tourist law of China and the situation on the domestic demonstrations hit the tourism directly. However, the grouping of the ASEAN Economic Community can increase the tourists from the same region to Thailand to substitute the reduced tourists from other regions. It is expected that the situation may be recovered to the normal conditions during the end of 2014 from such factors. The company has spread the risks by expanding the investment in other businesses. While in marketing the company has tried to find customers from new sources to replace the customers from the regions with economic problems.

1.2 Factors from the behavior and taste of the consumers, the tourists still had the behavior of spending thriftier such as the foreign tourists at the middle level started to stay for the cheaper lodging like the serviced apartments, etc. Also the clear change of the tourists' behavior is the popularity of using the Internet until the computer became almost part of their daily life. As well as the wave of social network, regardless of being the Facebook, Twitter, including the forward mail and the exchange of ideas in the various websites will have high effects in relaying news rapidly. If it is a good service shall have positive impact considerably and rapidly. On the contrary, if the service is bad, it would send negative effects severely and rapidly as well. The company has aware of it and chose to utilize it to suit our business to be consistent with the changed behavior of the tourists.

2. Internal Factors that may have effect on the Hotel Business

The personnel are counted as an important factor towards the business of the company, which it gave priority on personnel development by providing training to support the business expansion.

3. External Factor with Effect on the Shopping Center Business

3.1 The political factor affected directly to the economic situation of the country that stated to get better in 2013. It caused the slowdown, impact on consumer's confidence, and the overall consumption of the country to be reduced as well. Since the political problems still had no stability and the depressed economic problems of the Euro Zone, all contributed to the negative factors of the Thai economy. If there is no political clarification it may cause continuous slowdown of consumption and affect the company in terms of the rate of space leasing, adjustment to increase the rent rate and the number of customers who come use the service in the shopping center.

However, from our experience in management of shopping center and financial stability, supplemented by the business operations by using the principle of circumspection, the company shall have the continuous growth operations and believed it can pass this phase smoothly.

3.2 Factor from higher competition, competition of real estate business for retail trade shall depend on the retail space opened for service and size of the consumer base to come to use the service in the shopping center. Both factors are the important factors that have effect on finding the space lessees and attraction of customers to use the service in the shopping center. At present there are several operators in the real estate development business for retailers that paid attention and turned to develop a shopping center or community mall. As a result, the competition in the retail trade increased fierce competition. Nevertheless, the shopping center in the form of the community mall and the super stores are classified as indirect competitors as the retail spaces are lesser and had a limitation on the number and type of stores. While the company focused on developing integrated shopping center in response to the different demand of the customers to receive the service that they can choose the goods, including being the place of work, party and a source of study and knowledge. Thus, the company expected that it can provide the service and response to the demand of the customers completely.

3.3 Factor from sabotage and disasters due to the company operates shopping centers, which have to get involved with numerous people both the lessees in the shopping centers, the customers who came to use the service and its personnel. Thus, the company has a policy to provide scrutinized and strict security service and designated measures for prevention and guidelines in case there is sabotage. It is to prevent from terrorism and sabotage or in preparation to deal with the real scenarios. It provided training for the security guards to handle sabotage and inspection of the space strictly, as well as a follow-up on news and situations closely.

3.4 The natural disaster factor, which the company used to be affected by the new flood that caused its business to be severely impacted due to the shopping center situated in Pathum Thani province, which the floods caused the shopping center to be closed for longer than two months. In the future there is still a risk for a flood, if the water mass volume from the Northern region during the rainy season still could not be controlled and prevented by the public sector. The company prepared the readiness to deal with the floods by planning to prevent water from entering the shopping center. Meanwhile, the company also insured to cover the damage from natural disasters to prevent from being damaged financially as well.

4. Internal Factor with Effects on the Shopping Center Business

The factor from the risk on construction on development of new projects according to the plan on business expansion of the company as consequences from April 2013, the construction of our dormitory building collapsed. So we had to demolish the building, affected the budget and the planned schedule. Nonetheless, the company had sufficient measures to cushion the impact from the various risks sufficiently to reduce the damage from such impacts. Also it can prevent from increasing the project construction cost. Thus, in signing the contract to hire each contractor we have to set up a contractual job value in the certain amount with the details of the materials, design and work products clearly, so it can reduce the risk on the construction to be higher than the defined budget.

14. Report of the Audit Committee

In 2012 three members of Audit Committee of the Asia Hotel Public Co., Ltd. have completed their 3 years in the office. On the 5th Board of committee meeting held on 14 May 2012 there was a resolution to re-appoint the three members and in addition appointed Dr. Chotima Puasiri to be an audit committee member. Therefore, at present the company audit committee comprises of 4 members of independent directors. They are Mr. Suwat Dusitrojanawongse, Chairman of the committee, Mr. Sombut Pupipathirunkul, Mr. Piyawudh Senapoopitaksa and Dr. Chotima Puasiri. In 2012 Audit Committee held a total of 10 meetings and all members of Audit Committee attended the meeting every time for auditing and taking care of the Company according to the scope of duties and responsibilities that can be summarized as follows:

➤ Audit Committee verified the quarterly, annually and consolidated financial statement of the company and its subsidiaries with Auditor of the Company regarding audit result and opinion of auditor and to consult regarding accounting system every quarter before proposing to board of directors of the company. After auditing the financial statement, the audit committees believe that the financial statement was made in accordance with the accounting standard and it was disclosed with correct and sufficient information to the shareholders, investors and financial statement users.

➤ The Audit Committee ensured that the standard of financial report has been followed along with the changes of financial standard which was made by the management team since 2013.

➤ Audit Committee reviewed the internal control audit report and monitor the operation of the internal auditors of the company and 2 subsidiaries and found no significant faults or errors. The audit committees regularly propose the internal audit report to the board of directors and ensure that all are done in accordance with the regulation of the Stock Exchange, laws or rules related to the company business.

➤ The Company lends significance to the risk management by forming the risk management team under the supervision of audit committee. The risk management plans have been followed up and report submitted to the board every quarter.

➤ Audit committees followed up the report of inter-transactions, control and check the inter-transactions of related person or business to be in proper way and will disclose that information into the note to the financial statement, annual information report (Form 56-1) and annual report (Form 56-2) continuously for the efficiency and transparence.

➤ A conference between the audit committees and auditors has been held without management participation for one time in 2013.

Audit committee believed that the company operate the business according to the law and related regulation and adequately and suitably set the internal control system and also openly and correctly report reliable financial statement of the company.



Mr. Suwat Dusitrojanawongse
Chairman of the Audit Committee
7 March 2014

15. Report of the Nomination and Remuneration Committee

To Shareholders,


The Nomination and Remuneration Committee comprises of three independent directors who are not executives of the company as follow:

Name	Position	Participate in the 2013 Meeting
Mr. Sombut Pupipathirunkul	Chairman	1/1
Mr. Piyawudh Senapoopitaksa	member	1/1
Mr. Suwat Dusitrojanawongse	member	1/1

In nominating members of the Board of Directors, the Committee takes into consideration the individuals' specific qualifications, knowledge, abilities, skills, experience, range of expertise, and leadership, as well as their vision and attitude toward the organization, with the view that such qualities would be able to contribute to the organization's operations. Furthermore, in nominating members of the Board of Directors, the Committee also takes into consideration to promote good corporate governance and efficient management.

The Committee determines the remuneration for the members of the Board of Directors to be commensurate with the duties and responsibilities assigned to, including the organization's performance comparing within the same industry, as well as other factors that may affect the organization's business or overall economic situation.

Mr. Kumpol Techruvichit, Chairman and Managing Director passed away on 16 December 2013, as of December 31, 2013, the Board of Directors, total of 8 members, comprised of four independent directors, one non-executive director, and three executive directors. The remuneration for the directors is indicated in the section of this Annual Report entitled 'Item 7.3 The Remuneration and Benefits for the Board of in 2013'. The Committee is of the opinion that such remuneration is appropriate. The said remuneration has already been considered and approved by the Board of Directors.



(Sombut Pupipathirankul)

Chairman of the Nomination and Remuneration Committee
March 7, 2014

16. Statement of Directors Responsibilities

The Board of Directors of Asia Hotel Public Company Limited reviewed the company financial statements for the year ended 31 December 2013 in coordination with the management and the external auditor and concluded that the company's financial report has conformed in accordance with generally accepted accounting standards including use of appropriated accounting policies applied on a consistent basis. In addition, the report is supported by reasonable judgment and estimates.

The Board of Directors is also responsible for the presentation of accurate and appropriate financial position and performance by having correct and adequate financial information. In addition, it ensures the company has relevant policy to maintain the company's net asset value and internal control system to prevent any fraud of mismanagement and maximum benefit to the shareholders.



Mr. Surapong Techaruvichit
Managing Director



AUDITOR'S REPORT

To The Shareholders of ASIA HOTEL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of ASIA HOTEL PUBLIC COMPANY LIMITED which comprise consolidated and separate statements of financial position as at December 31, 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of ASIA HOTEL PUBLIC COMPANY LIMITED as at December 31, 2013, and their financial performance and cash flows for the year then ended in accordance with Thai financial reporting standards.

Emphasis of Matter

Without qualified our opinion, I draw attention to notes 2 and 5 to the financial statements as explained involving the impacts on the Company from changes in new accounting policy since Thai accounting Standard No. 12 “Income Taxes” was applied.

D I A International Audit Co., Ltd.



(Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

February 27, 2014

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

(Unit: Baht)

ASSETS	Note	Consolidated			Separate		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)	(Restated)		(Restated)	(Restated)
Current assets							
Cash and cash equivalents	7	92,687,856.25	90,582,601.25	39,337,624.89	12,068,944.39	6,279,325.67	4,283,793.51
Current investments		626,383.63	595,409.00	595,409.00	-	-	-
Trade accounts receivable and other receivable	8, 27	132,369,887.78	85,360,478.69	72,070,998.58	18,336,646.31	19,271,160.79	15,796,790.60
Inventories	9	40,808,241.80	40,879,247.28	39,166,000.49	19,319,682.42	18,793,371.64	18,558,262.08
Total current assets		266,492,369.46	217,417,736.22	151,170,032.96	49,725,273.12	44,343,858.10	38,638,846.19
Non - current assets							
Long - term investments in subsidiaries	10	-	-	-	1,140,593,700.00	1,140,593,700.00	1,140,593,700.00
Long - term investments with other companies	11	-	-	-	-	-	-
Restricted deposit with financial institution	12	4,000,000.00	4,000,000.00	6,341,769.47	-	-	-
Long - term loans and accrued interest income - related parties	27	80,380,999.24	86,581,176.76	91,857,348.00	80,380,999.24	86,581,176.76	91,857,348.00
Investment properties	13	5,174,402,458.12	4,666,281,005.96	4,525,666,212.20	-	-	-
Property, plant and equipment	14	4,434,581,131.20	4,538,795,759.52	4,039,495,957.64	2,191,167,652.91	2,229,412,642.87	2,268,930,076.82
Intangible assets	16	1,403,956.26	1,222,410.23	1,643,370.36	384,049.71	87,564.54	85,685.86
Deferred tax assets	5, 17	60,521,246.33	58,861,009.99	131,118,498.18	-	-	-
Prepaid rental	18	13,164,394.21	14,376,807.44	10,633,332.91	13,164,394.21	14,376,807.44	10,633,332.91
Other non - current assets							
Deposits and guarantee		3,088,705.46	971,706.17	989,600.01	956,913.76	440,211.33	520,635.33
Prepaid withholding income tax		3,329,876.17	3,060,713.61	5,909,845.65	2,464,819.34	2,118,300.08	4,552,046.85
Others		857,120.00	1,177,700.34	408,538.59	-	-	-
Total non - current assets		9,775,729,886.99	9,375,328,290.02	8,814,064,473.01	3,429,112,529.17	3,473,610,403.02	3,517,172,825.77
Total assets		10,042,222,256.45	9,592,746,026.24	8,965,234,505.97	3,478,837,802.29	3,517,954,261.12	3,555,811,671.96

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2013

(Unit: Baht)

LIABILITIES AND SHAREHOLDER'S EQUITY	Note	Consolidated			Separate		
		December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
			(Restated)	(Restated)		(Restated)	(Restated)
Current liabilities							
Bank overdrafts and short - term loans							
from financial institutions	19	66,486,037.83	129,989,970.97	135,253,646.69	19,679,630.35	41,736,867.31	59,426,921.53
Trade accounts payable		34,294,810.93	31,729,210.31	37,866,670.05	13,165,439.49	11,707,502.59	9,346,690.48
Other payable	20	70,779,608.42	74,398,652.04	51,001,587.74	20,367,857.82	18,121,059.94	13,490,107.53
Current portion of short - term loans	21	131,678,694.31	117,499,507.94	106,903,527.52	70,500,000.00	64,500,000.00	58,500,000.00
Current portion of liability under financial lease							
agreement	22	230,895.28	1,724,277.56	1,087,629.93	-	-	-
Current portion of deferred income	26	8,278,199.52	8,278,199.52	8,278,199.52	-	-	-
Short-term loans and accrued interest expense							
- related party	27	-	-	-	289,347,367.72	280,764,894.52	291,990,651.93
Assets payable		35,479,366.02	34,520,524.10	17,852,722.80	854,388.32	480,435.35	4,795,676.19
Deferred interest expenses - land rental	27	10,657,938.24	15,081,178.68	17,251,119.12	-	-	-
Accrued income tax		19,552,910.79	17,407,999.25	13,698,298.53	-	-	-
Total current liabilities		377,438,461.34	430,629,520.37	389,193,401.90	413,914,683.70	417,310,759.71	437,550,047.66
Non - current liabilities							
Long - term loans	21	1,566,763,326.24	1,640,467,468.66	1,690,559,847.32	974,000,000.00	1,044,500,000.00	1,109,000,000.00
Liability under financial lease agreemen	22	162,283.71	393,178.97	2,117,456.55	-	-	-
Land rent payable recognised under financial							
lease agreements	23, 27	279,111,862.64	279,111,862.64	279,111,862.64	-	-	-
Deferred tax liability	5, 17	1,345,546,023.95	1,251,926,601.62	1,194,828,546.75	291,969,238.98	295,009,361.89	307,730,157.76
Employee benefit obligation	24	60,376,446.04	55,311,052.04	48,896,177.00	26,355,732.00	24,369,003.00	22,083,950.00
Guarantee for rental	25	159,281,902.39	148,035,965.75	134,315,223.71	9,472,439.00	7,971,845.00	6,952,734.00
Accrued income - leasehold rights on ar	26	55,986,739.24	63,215,496.09	70,444,253.01	-	-	-
Other non - current liabilities		3,710,820.68	3,410,110.92	3,062,714.80	1,446,600.00	1,258,200.00	1,324,000.00
Total non - current liabilities		3,470,939,404.89	3,441,871,736.69	3,423,336,081.78	1,303,244,009.98	1,373,108,409.89	1,447,090,841.76
Total liabilities		3,848,377,866.23	3,872,501,257.06	3,812,529,483.68	1,717,158,693.68	1,790,419,169.60	1,884,640,889.42

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2013

(Unit: Baht)

	Consolidated			Separate		
	December 31, 2013	December 31, 2012	January 1, 2012	December 31, 2013	December 31, 2012	January 1, 2012
		(Restated)	(Restated)		(Restated)	(Restated)
Shareholders' equity						
Share capital						
Authorized share capital						
Common shares Baht 10 par value 50,000,000 :	500,000,000.00	500,000,000.00	500,000,000.00	500,000,000.00	500,000,000.00	500,000,000.00
Issued and paid - up share capital						
Common shares Baht 10 par value 32,000,000 shares						
fully paid	320,000,000.00	320,000,000.00	320,000,000.00	320,000,000.00	320,000,000.00	320,000,000.00
Capital surplus						
Premium on share - sale of parent's common share held						
by subsidiaries	112,743,250.00	112,743,250.00	112,743,250.00	-	-	-
Surplus on dilution of investment in subsidiar:	37,539,076.00	38,484,308.63	38,484,308.63	-	-	-
Retained earnings						
Appropriated - legal reserve	14,727,574.54	11,832,533.33	7,905,555.85	15,322,018.69	12,426,977.48	8,500,000.00
Unappropriated	2,983,215,257.28	2,504,457,934.89	2,376,406,957.12	118,897,162.86	81,490,609.84	22,895,701.24
Other components of equity	2,517,115,164.34	2,546,524,462.69	2,134,888,909.33	1,307,459,927.06	1,313,617,504.20	1,319,775,081.30
Total the parent shareholders' equity	5,985,340,322.16	5,534,042,489.54	4,990,428,980.93	1,761,679,108.61	1,727,535,091.52	1,671,170,782.54
Non - controlling interests	208,504,068.06	186,202,279.64	162,276,041.36	-	-	-
Total shareholders' equity	6,193,844,390.22	5,720,244,769.18	5,152,705,022.29	1,761,679,108.61	1,727,535,091.52	1,671,170,782.54
Total liabilities and shareholders' equity	10,042,222,256.45	9,592,746,026.24	8,965,234,505.97	3,478,837,802.29	3,517,954,261.12	3,555,811,671.96

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

Note	Consolidated		Separate	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012 (Restated)
REVENUES				
Income from hotel business	730,584,879.57	628,422,209.72	364,736,835.50	305,147,293.87
Rental and services income	585,640,040.89	526,267,770.88	-	-
Total revenues	1,316,224,920.46	1,154,689,980.60	364,736,835.50	305,147,293.87
COST OF SALES AND SERVICES				
Cost of hotel business	(452,927,296.50)	(411,014,670.48)	(225,386,075.43)	(201,008,655.91)
Cost of rental and services	(237,258,570.98)	(251,914,723.03)	-	-
Amortized interest on land rental under financial lease	(17,343,559.56)	(17,343,559.56)	-	-
Total cost of sales and services	(707,529,427.04)	(680,272,953.07)	(225,386,075.43)	(201,008,655.91)
GROSS PROFIT	608,695,493.42	474,417,027.53	139,350,760.07	104,138,637.96
OTHER INCOME				
Gain on fair value adjustment on investment properties	412,369,404.32	15,228,675.81	-	-
Dividend income	-	-	64,023,660.00	117,376,710.00
Income from insurance compensation	-	30,000,000.00	-	-
Others	61,436,027.14	52,341,293.19	46,540,436.37	39,534,319.42
Total other income	473,805,431.46	97,569,969.00	110,564,096.37	156,911,029.42
Profit before expenses	1,082,500,924.88	571,986,996.53	249,914,856.44	261,049,667.38
Selling expenses	(40,847,296.70)	(33,425,606.49)	(21,037,756.96)	(16,851,406.20)
Administrative expenses	(209,640,007.17)	(178,342,832.95)	(85,232,972.97)	(85,193,938.30)
Management benefit expenses	(19,757,730.00)	(18,186,680.00)	(7,696,750.00)	(6,793,200.00)
Directors' remuneration	(3,591,435.00)	(3,522,850.00)	(1,776,685.00)	(1,868,500.00)
Reversal of provision for doubtful debt (Doubtful debt)	906,218.83	18,199,674.91	6,749,462.48	19,946,844.77
Bad debt	(2,159,069.53)	(920,546.74)	-	-
Financial cost	(119,388,060.30)	(125,124,443.22)	(84,520,058.39)	(91,749,918.17)
Profit (Loss) before income tax	688,023,545.01	230,663,712.04	56,400,095.60	78,539,549.48
Income tax (expense) revenue	17 (163,043,350.93)	(64,295,553.92)	1,500,728.63	11,181,401.60
Net profit for the period	524,980,194.08	166,368,158.12	57,900,824.23	89,720,951.08

Condensed notes to financial statements are parts of these interim financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012 (Restated)
Other comprehensive income (loss)				
Difference on exchange rate from currency translation	460,881.75	(569,335.56)	-	-
Gain from asset revaluation		564,419,716.03		
Revaluation surplus - amortization	14 (38,457,355.98)	(20,278,116.86)	(7,696,971.42)	(7,696,971.37)
Income tax - component of other comprehensive income (loss)	15 7,691,471.19	(108,828,319.84)	1,539,394.28	1,539,394.27
Other comprehensive income (loss) for the period	(30,305,003.04)	434,743,943.77	(6,157,577.14)	(6,157,577.10)
Total comprehensive income (loss) for the period	494,675,191.04	601,112,101.89	51,743,247.09	83,563,373.98
Attributable to:				
Equity holders of the parent	499,251,593.60	159,177,020.25	57,900,824.23	89,720,951.08
Non - controlling interests	25,728,600.48	7,191,137.87	-	-
	524,980,194.08	166,368,158.12	57,900,824.23	89,720,951.08
Total comprehensive income (loss) attributable to:				
Equity holders of the parent	469,842,295.25	570,812,573.61	51,743,247.09	83,563,373.98
Non - controlling interests	24,832,895.79	30,299,528.28	-	-
	494,675,191.04	601,112,101.89	51,743,247.09	83,563,373.98
Earnings per share				
Basic earnings per share :	15.60	4.97	1.81	2.80
Weighted average number of common shares	32,000,000	32,000,000	32,000,000	32,000,000

Condensed notes to financial statements are parts of these interim financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

Note	Consolidated										
	Share capital issues and paid-up	Premium on share from sale of common shares	Surplus on dilution of investments	Retained earnings		Other component of equity			Total the parent shareholders' equity	Non - controlling interests	Total Shareholders equity
				Appropriated legal reserve	Unappropriated	Other comprehensive income		Total other component of equity			
						Revaluation surplus of assets	Currency translation				
Beginning balance as at January 1, 2013	320,000,000.00	112,743,250.00	38,484,308.63	11,832,533.33	3,020,086,231.65	3,183,471,322.16	(252,595.03)	3,183,218,727.13	6,686,365,050.74	226,945,239.67	6,913,310,290.41
Effects from change in accounting policy-Deferred tax	5	-	-	-	(515,628,296.76)	(636,694,264.44)	-	(636,694,264.44)	(1,152,322,561.20)	(40,742,960.03)	(1,193,065,521.23)
Balance as at January 1, 2013 (after adjustment)	320,000,000.00	112,743,250.00	38,484,308.63	11,832,533.33	2,504,457,934.89	2,546,777,057.72	(252,595.03)	2,546,524,462.69	5,534,042,489.54	186,202,279.64	5,720,244,769.18
Dividends	29	-	-	-	(17,599,230.00)	-	-	-	(17,599,230.00)	(3,476,340.00)	(21,075,570.00)
Total comprehensive income (loss) for the period	14	-	-	-	499,251,593.60	(29,870,180.10)	460,881.75	(29,409,298.35)	469,842,295.25	24,832,895.79	494,675,191.04
Excess of change in non-controlling shareholder		-	-	(945,232.63)	-	-	-	-	(945,232.63)	945,232.63	-
Appropriated legal reserve				2,895,041.21	(2,895,041.21)				-		-
Ending balance as at December 31, 2013	320,000,000.00	112,743,250.00	37,539,076.00	14,727,574.54	2,983,215,257.28	2,516,906,877.62	208,286.72	2,517,115,164.34	5,985,340,322.16	208,504,068.06	6,193,844,390.22
Beginning balance as at January 1, 2012	320,000,000.00	112,743,250.00	38,484,308.63	7,905,555.85	2,874,677,542.36	2,668,215,211.00	316,740.53	2,668,531,951.53	6,022,342,608.37	194,072,462.49	6,216,415,070.86
Effects from change in accounting policy-Deferred tax	5	-	-	-	(498,270,585.24)	(533,643,042.20)	-	(533,643,042.20)	(1,031,913,627.44)	(31,796,421.13)	(1,063,710,048.57)
Balance as at January 1, 2012 (after adjustment)	320,000,000.00	112,743,250.00	38,484,308.63	7,905,555.85	2,376,406,957.12	2,134,572,168.80	316,740.53	2,134,888,909.33	4,990,428,980.93	162,276,041.36	5,152,705,022.29
Dividends		-	-	-	(27,199,065.00)	-	-	-	(27,199,065.00)	(6,373,290.00)	(33,572,355.00)
Total comprehensive income (loss) for the period	14	-	-	-	159,177,020.25	412,204,888.92	(569,335.56)	411,635,553.36	570,812,573.61	30,299,528.28	601,112,101.89
Appropriated legal reserve				3,926,977.48	(3,926,977.48)						-
Ending balance as at December 31, 2012	320,000,000.00	112,743,250.00	38,484,308.63	11,832,533.33	2,504,457,934.89	2,546,777,057.72	(252,595.03)	2,546,524,462.69	5,534,042,489.54	186,202,279.64	5,720,244,769.18

Condensed notes to financial statements are parts of these interim financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

Separate

Note	Retained earnings		Other components of equity		Total Shareholders equity		
	Share capital issues and paid-up	Appropriated legal reserve	Unappropriated	Other comprehensive income		Total other components of equity	
				Revaluation surplus of assets			
Beginning balance as at January 1, 2013	320,000,000.00	12,426,977.48	48,095,595.68	1,642,021,880.25	1,642,021,880.25	2,022,544,453.41	
Effects from change in accounting policy-Deferred tax	5	-	-	33,395,014.16	(328,404,376.05)	(328,404,376.05)	(295,009,361.89)
Beginning balance as at January 1, 2013 (after adjustment)	320,000,000.00	12,426,977.48	81,490,609.84	1,313,617,504.20	1,313,617,504.20	1,727,535,091.52	
Dividends	29		(17,599,230.00)	-	-	(17,599,230.00)	
Total comprehensive income (loss) for the period	14	-	-	57,900,824.23	(6,157,577.14)	(6,157,577.14)	51,743,247.09
Appropriated legal reserve		2,895,041.21	(2,895,041.21)			-	
Ending balance as at December 31, 2013	320,000,000.00	15,322,018.69	118,897,162.86	1,307,459,927.06	1,307,459,927.06	1,761,679,108.61	
Beginning balance as at January 1, 2012	320,000,000.00	8,500,000.00	682,088.68	1,649,718,851.62	1,649,718,851.62	1,978,900,940.30	
Effects from change in accounting policy-Deferred tax	5	-	-	22,213,612.56	(329,943,770.32)	(329,943,770.32)	(307,730,157.76)
Beginning balance as at January 1, 2012 (after adjustment)	320,000,000.00	8,500,000.00	22,895,701.24	1,319,775,081.30	1,319,775,081.30	1,671,170,782.54	
Dividends			(27,199,065.00)			(27,199,065.00)	
Total comprehensive income (loss) for the period	14	-	-	89,720,951.08	(6,157,577.10)	(6,157,577.10)	83,563,373.98
Appropriated legal reserve		3,926,977.48	(3,926,977.48)			-	
Ending balance as at December 31, 2012	320,000,000.00	12,426,977.48	81,490,609.84	1,313,617,504.20	1,313,617,504.20	1,727,535,091.52	

Condensed notes to financial statements are parts of these interim financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012
Cash flows from operating activities :				
Net profit before income tax	688,023,545.01	230,663,712.04	56,400,095.60	78,539,549.48
Adjustment to reconcile before tax to cash provided by (used in) operating activities				
Employee benefit provision	7,853,394.00	7,191,675.04	3,409,029.00	3,061,853.00
Depreciation	89,465,938.25	92,288,436.07	44,500,160.64	42,629,159.57
Amortized prepaid rental	1,212,413.23	1,171,455.47	1,212,413.23	1,171,455.47
Amortized computer software	530,599.92	560,760.13	46,360.78	82,121.32
Doubtful debt (Reversal of provision for doubtful debt)	(906,218.83)	(18,199,674.91)	(6,749,462.48)	(19,946,844.77)
Reversal of provision for declining in value of assets	(1,787.45)	-	(1,787.45)	-
Bad debt	2,159,069.53	920,546.74	-	-
Corporate income tax deducted at source	303,193.21	3,116,667.54	-	2,484,353.14
Amortized interest on land rental under financial lease	17,343,559.56	17,343,559.56	-	-
(Gain) on fair value adjustment on investment properties	(412,369,404.32)	(15,228,675.81)	-	-
(Gain) Loss on sale of investment properties	151,195.63	-	-	-
(Gain) Loss on sale of fixed assets	(561,436.31)	(14,458.17)	(156,968.19)	(102,282.19)
Loss on unused of assets	676,130.33	-	-	-
Loss on assets from flooding crisis	-	9,697,482.53	-	-
Expense of the demolition of collapsed building	36,196,760.47	-	-	-
Loss from damage of assets	-	473,016.25	-	-
Income on leasehold rights	(7,228,756.85)	(7,228,756.92)	-	-
Financial cost - interest expense	119,388,060.30	125,124,443.22	84,520,058.39	91,749,918.17
Profit from operations before changes in operating assets and liabilities	542,236,255.68	447,880,188.78	183,179,899.52	199,669,283.19
Operating assets (increase) decrease				
Trade accounts receivable and other receivable	(55,062,082.27)	(15,934,178.70)	884,154.48	(3,451,354.18)
Inventories	72,792.93	(1,713,246.79)	(524,523.33)	(235,109.56)
Other non - current assets	(1,738,257.70)	3,449,878.34	(516,702.43)	80,424.00
Operating liabilities increase (decrease)				
Trade accounts payable	2,565,600.62	(6,137,459.74)	1,457,936.90	2,360,812.11
Other payable	(3,641,298.58)	22,522,799.61	2,132,703.67	3,832,897.62
Employee benefit obligation	(2,788,000.00)	(776,800.00)	(1,422,300.00)	(776,800.00)
Guarantee for rental	11,245,936.64	13,720,742.04	1,500,594.00	1,019,111.00
Other non - current liabilities	300,709.76	347,396.12	188,400.00	(65,800.00)
Cash received from operating activities	493,191,657.08	463,359,319.66	186,880,162.81	202,433,464.18
Corporate income tax receipt	919,505.82	1,148,202.48	919,505.82	1,148,202.48
Corporate income tax paid	(62,739,643.80)	(41,474,367.96)	(1,266,025.08)	(1,198,808.85)
Net cash provided by (used in) operating activities	431,371,519.10	423,033,154.18	186,533,643.55	202,382,857.81

Condensed notes to financial statements are parts of these interim financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2013

(Unit: Baht)

Note	Consolidated		Separate	
	December 31, 2013	December 31, 2012 (Restated)	December 31, 2013	December 31, 2012
Cash flow from investing activities :				
Cash received from (paid for) temporary investment	(30,974.63)	-	-	-
Cash received from (paid for) restricted deposits with financial institut	-	2,341,769.47	-	-
Cash received from long - term loans and accrued interest income - related parties	13,000,000.00	25,200,000.00	13,000,000.00	25,200,000.00
Cash received from sale on investment properties	75,700.93	-	-	-
Cash paid for purchase of investment properties	(98,679,530.65)	(109,441,851.91)	-	-
Cash received from sale of fixed assets	874,259.82	206,560.42	202,951.40	154,261.35
Cash paid for purchase of fixed assets and intangible assets	(23,936,673.55)	(47,666,185.68)	(13,854,662.94)	(10,832,320.80)
Cash paid for prepaid rental expense	-	(4,914,930.00)	-	(4,914,930.00)
Cash paid for assets payable	(34,045,444.10)	(13,760,465.12)	(112,355.35)	(4,427,596.19)
Net cash provided by (used in) investing activities	(142,742,662.18)	(148,035,102.82)	(764,066.89)	5,179,414.36
Cash flow from financing activities :				
Cash received from (paid for) bank overdrafts and short-term loans	(63,503,933.13)	(5,263,675.71)	(22,057,236.96)	(17,690,054.22)
Cash paid for short - term loans and accrued interest expense - related parties	-	-	(36,000,000.00)	(28,185,000.00)
Cash received from short - term loans and accrued interest expense - related parties	-	-	32,000,000.00	4,100,000.00
Cash paid for financial cost				
Financial interest	(119,388,946.95)	(124,250,180.54)	(71,823,490.98)	(78,092,620.79)
Land interest recognised under financial lease agreement	(21,766,800.00)	(19,513,500.00)	-	-
Cash paid for dividend	(21,075,570.00)	(33,572,355.00)	(17,599,230.00)	(27,199,065.00)
Cash received from long - term loans	63,984,170.00	77,000,000.00	-	-
Cash paid for long-term loans	(123,509,126.05)	(116,496,398.24)	(64,500,000.00)	(58,500,000.00)
Cash paid for liabilities under financial lease agreement	(1,724,277.54)	(1,087,629.95)	-	-
Net cash provided by (used in) financing activities	(286,984,483.67)	(223,183,739.44)	(179,979,957.94)	(205,566,740.01)
Cash and cash equivalents increase (decrease)	1,644,373.25	51,814,311.92	5,789,618.72	1,995,532.16
Difference from currency translation	460,881.75	(569,335.56)	-	-
Net cash and cash equivalents increase (decrease)	2,105,255.00	51,244,976.36	5,789,618.72	1,995,532.16
Cash and cash equivalents at the beginning of period	90,582,601.25	39,337,624.89	6,279,325.67	4,283,793.51
Cash and cash equivalents at the ending of period	7 92,687,856.25	90,582,601.25	12,068,944.39	6,279,325.67

Condensed notes to financial statements are parts of these interim financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

1. General information

1.1 The Company and its five subsidiaries,

- The Company and two of its subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd. are involved in the hotel business, with their principal activities consisting of room service and operating restaurants.
- Subsidiaries, Zeer Property Plc. are involved in rental shopping complex business.
- Subsidiaries, ZEER OVERSEA LLC. are involved in rental shopping complex business.
- A subsidiary, Zeer Asset Co., Ltd. is involved in real estate development business.

1.2 The Company was incorporated on March 24, 1964, and has been listed on the Stock Exchange of Thailand since 1989. Its office is located at 296 Phayathai Road, Rajathevee, Bangkok.

1.3 A.B.K. Enterprise Co., Ltd., the Company's major shareholder, held about 46% of the Company's share capital.

2. Preparation of interim financial statement basis

2.1 Basis for Financial Statements Preparation

These financial statements have been prepared in conformity with generally accepted accounting principles enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development, the Ministry of Commerce dated September 28, 2011, regarding the condensed form which should be included in the financial statements B.E. 2554 and the regulation of the Securities and Exchange Commission, regarding the preparation and presentation of the financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

2.2 Presentation of Financial Statements

The Federation of Accounting Professions issued accounting standards, financial reporting standards, standing interpretations and accounting guidance which are expected to effective for the financial statements beginning on or after January 1, 2013 as follows:

Accounting Standards :

	<u>Topic</u>
TAS 12	Income tax
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effect of Changes in Foreign Exchange Rates

Financial Reporting Standards :

TFRS 8	Operation Segments
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Accounting Standard Interpretations :

TSIC 10	Government Assistance – No Specific Relation to Operating Activities
TSIC 21	Income Taxes – Recovery of Revalued Non – Depreciable Assets
TSIC 25	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
Accounting Guidance	Transfers of Financial Assets

2. Preparation of interim financial statement basis (Cont)

Those accounting standards, financial reporting standards, standing interpretations and accounting guidance have no significantly impacts on these financial statements except for the following accounting standard :

TAS 12 "Income Taxes"

This accounting standard requires the temporary differences between carrying amounts of assets and liabilities for basis of financial reporting purpose and the amounts used for taxation purpose to recognize the tax impact in accordance with the prescribed requirements. The Company has applied this standard in this current quarter and restated the previous year's financial statements retrospectively, presented for comparative purpose, as if the Company and Subsidiaries has continued recognizing the tax consequences as deferred tax assets and liabilities. The cumulative effects of change in such accounting policy are disclosed in Note 5.

TFRS 8 " Operating segments",

This reporting standard presents view of the management in reporting operating segments on the same basis as that used internally by the Company and subsidiaries' chief operating decision maker consistently.

Change in presentation and disclosure of operating segments has no significant impact on operating segments presented in the financial statements of the Company and subsidiaries and has no impact on assets, liabilities or earning per share of the Company and subsidiaries .

2.3 New accounting standards in issue not yet effective

The Federation of Accounting Professions issued new and revise accounting standards and financial reporting standards which certain standards have not been effective in year 2013 as following:

<u>Thai Accounting Standards</u>	<u>Contents</u>	<u>Effective date</u>
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1,2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1,2014
TAS 12 (Revised 2012)	Income Taxes	January 1,2014
TAS 17 (Revised 2012)	Leases	January 1,2014
TAS 18 (Revised 2012)	Revenue	January 1,2014
TAS 19 (Revised 2012)	Employee Benefits	January 1,2014
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rate	January 1,2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1,2014
TAS 28 (Revised 2012)	Investments in Associates	January 1,2014
TAS 31 (Revised 2012)	Interests in Joint Ventures	January 1,2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1,2014
TAS 36 (Revised 2012)	Impairment of Assets	January 1,2014
TAS 38 (Revised 2012)	Intangible assets	January 1,2014
<u>Thai Financial Reporting Standards</u>		
TFRS 4	Insurance Contracts	January 1,2016
TFRS 2 (Revised 2012)	Share-based Payment	January 1,2014
TFRS 3 (Revised 2012)	Business Combinations	January 1,2014
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	January 1,2014
TFRS 8 (Revised 2012)	Operating Segments	January 1,2014

2. Preparation of interim financial statement basis (Cont)

<u>Thai Standing Interpretations Committee (TSIC)</u>	<u>Contents</u>	<u>Effective date</u>
TSIC 15	Operating Leases-Incentives	January 1,2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1,2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1,2014
TSIC 32	Intangible Assets-Web Site Costs	January 1,2014
<u>Thai Financial Reporting Interpretations Committee (TFRIC)</u>		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1,2014
TFRIC 4	Determining Whether an Arrangement Contains a Lease	
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1,2014
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	January 1,2014
TFRIC 10	Interim Financial Reporting and Impairment	January 1,2014
TFRIC 12	Service Concession Arrangements	January 1,2014
TFRIC 13	Customer Loyalty Programmes	January 1,2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1,2014
TFRIC 18	Transfers of Assets from Customers	January 1,2014

The Company and subsidiaries, management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements, except TSIC 15, 27 and TFRS 4 which are evaluating the effect to financial statements when they are initially applied.

3. Consolidated financial statements preparation basis

- 3.1 These financial statements have been consolidated by including the financial statements of subsidiaries in which Asia Hotel Public Company Limited has a power to control such companies under equity method. Balances and transactions between the Company and subsidiaries have been eliminated from the consolidated financial statements on the controllable date.
- 3.2 Investment between Asia Hotel Public Company Limited and subsidiaries have been eliminated under equity method as if the Company owns 100 percent shareholding in those subsidiaries, and the interest of other shareholders are shown as "Non – Controlling Interests".
- 3.3 The consolidated financial statements consist of the financial statements of Asia Hotel Public Company Limited, the parent company, and of subsidiaries in which Asia Hotel Public Company Limited has shareholding or has significant influence in the subsidiaries as follows:

3. Consolidated financial statements preparation basis (Cont.)

	Percentage of shareholding by the Company	
	December 31, 2013	December 31, 2012
1. Asia Pattaya Hotel Co., Ltd.	99.42	99.42
2. Asia Airport Hotel Co., Ltd.	100.00	100.00
3. Zeer Property Plc.	94.85	94.85
4. Zeer Asset Co., Ltd. (held by Zeer Property Plc.)	96.99	96.99
5. ZEER OVERSEA LLC. (held by Zeer Property Plc.)	99.90	94.00

4. Significant accounting policies

4.1 Recognition of revenues and expenses

Incomes from room service and other related services are recognized when services have been rendered.

Incomes from food and beverage sales are recognized when food and beverage sales have been serviced.

Building rental income and area rental income are recognized over the lease period according to the rate specified in the agreement except for income from Long-Term contract which is recognized by the straight line method over the lease period.

Service income is recognized when service has been rendered.

Deferred income on leasehold rights is recognized as income by the straight line method over the leasehold period.

Other incomes and expenses are recognized on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, all deposits (except time deposits) and highly liquid short-term investments which have negligible risk of value changing.

4.3 Accounts Receivable and other receivable

Accounts receivable and other receivable are stated at invoice amount less allowance for doubtful accounts.

The Company and subsidiaries which are involved in the hotel business provide a provision for doubtful accounts in the full amount for dissolved firm or during having sued cases and the overdue account over 1 year. In addition, the Company and the subsidiaries will consider based on analysis of payment histories and financial status of each customer.

A subsidiary, Zeer Property Plc. which is involved in shopping complex rental business provides a provision for doubtful accounts of accounts receivable - trade equal to the estimated uncollectible based on collection experience and review of the current status of the existing receivables. The overdue account over 180 days was provided a provision for doubtful accounts in full amount after deducting deposit.

4.4 Inventory

The company and subsidiaries stated inventory at the lower of cost or net realizable value. The Company determined cost by using weighted average method and the subsidiaries determined cost by using the first-in, first-out method. Cost comprised of product price and other direct expenses for acquiring the product.

The Company and subsidiaries provided allowance for impairment of inventories for quality-deteriorated, damaged, obsolete stock.

4. Significant accounting policies (Cont.)

4.5 Investments

Long-term investments in the subsidiaries are stated at cost less provision for declining in value (if any).

Long-term investments in non-marketable equity securities, which were classified as general investments, are stated at cost less provision for declining in value (if any).

Loss on impairment of long-term investments will be recorded in the statements of comprehensive income if the book value is higher than the recoverable amount.

Cost of investment is calculated by weighted average method.

4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

Investment properties comprise freehold properties that are held for rental yields. It is carried at fair value based on valuations by independent appraiser which will be revalued every 3-5 years. However, the management will review the fair value to reflect market conditions at the year-end. Fair value is measured by discounted cash flow projections which reflects rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects any cash outflows that could be expected in respect of the property. The discount rate reflects current market assessments of the time value of money and risk adjusted. Any gain or loss arising from a change in fair value is recognised in the statements of comprehensive income.

Benefit on land held under operating leases is classified and accounted as investment property and is accounted for as if it was a finance lease under "Land rent payable recognised under financial lease agreement". Financial cost incurred from such recording is presented by net from gain or loss arising from a change in fair value in the statement of comprehensive income.

4.7 Property, plant and equipment/ depreciation

Land is stated at the new revaluation.

Building and building improvement are stated at the new revaluation less accumulated depreciation and impairment losses (if any). Equipment is stated at cost less accumulated depreciation and impairment losses (if any).

Assets are depreciated by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and construction	20 - 58	years
Building improvements	40 - 58	years
Land improvements and decoration	5 - 10	years
Public utility system	5 - 15	years
Machinery and equipment	5 - 20	years
Furniture and fixtures	5 - 20	years
Furniture ornaments	5 - 10	years
Equipment for hotel and restaurants	5 - 20	years
Tools and office equipment	5 - 20	years
Vehicles	5 - 10	years

4. Significant accounting policies (Cont.)

Costs of dismantlement, removal and restoration is charged as cost of assets and calculated depreciation for the year-end.

Depreciation is calculated separately for each significant parts of cost of property, plant and equipment when each of component parts has material cost compared to total cost of those assets.

Residual value of property, plant and equipment has to be measured by the amount expected to obtain from disposal of assets as if the assets had aging and expected condition at the end of its useful lives. In addition, residual value and useful lives is required to review at least at the year-end.

The revaluation of land, building and building improvement will be recorded at fair value, valued by an independent expert and depreciate according to the remaining term. The Company and subsidiaries will provide an independent expert to revalue such assets every 5 years. However, in case there is any factor which materially effects to the asset value, the Company and subsidiaries will provide an independent expert to revalue such assets in the occurring year.

Revaluation surplus was adjusted to the book value of assets to be new value by recording only the net value of the surplus to new revaluation account couple with revaluation surplus account. Gain (Loss) on new revaluation will be recognized as other comprehensive income and the accumulated amount will be recognized as revaluation surplus of assets in the shareholders' equity. The revaluation surplus will be partly recorded in retained earnings and deprecation will charged in the statement of comprehensive income. However, in calculating depreciation on the revaluation surplus on building and building improvement that the Company and subsidiaries acquired before January 1, 2011, the Company and subsidiaries continued to apply the alternative method per Notification No. 25/2006 issued by the Federation of Accounting Profession (FAP), with reference to the accounting method detailed in Notification No. 18/2011 issued by the FAP, which allows the Company and subsidiaries to continue using the method stipulated in Notification No. 25/2006 until the accounting period commencing on or after January 1, 2016. Notification No. 18/2011 was announced in the Royal Gazette on May 6, 2011.

The Company and subsidiaries recognized repairs and maintenance as building improvement when their future economic benefits are in excess of one fiscal year.

4.8 Amortization

Rentals are amortized by the straight-line method over the leased term.

4.9 Borrowing cost

The Company and subsidiaries records its borrowing cost incurred during the renovation and decoration period as cost of buildings and equipment under renovation and decoration until their completion and total costs are not over net realizable value.

Borrowing cost subsequently incurred are recognized as expense for the period.

4.10 Intangible assets

Computer software is considered as intangible assets and at cost less accumulated amortization and impairment (if any). Intangible assets are amortized by the straight-line method over 5 - 10 years.

4.11 Long-term lease - Financial lease contract

Leases which transferring a significant portion of the risks and rewards of ownership to the lessee are classified as financial leases. The Company records financial leases as assets and liabilities in the balance sheets at the lower of the fair value of the leased assets as at the inception of the lease or the present value of the minimum lease payments. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned.

4. Significant accounting policies (Cont.)

4.12 Impairment of assets

The Company and subsidiaries have considered the impairment of assets-property, plant and equipment, investments and intangible assets whenever events or changes indicate that the carrying amount of an asset exceeds its net realizable value (net selling price of the asset under current operations or its utilization value whichever is higher). The Company and subsidiaries will consider the impairment for each asset item or each asset unit or each asset unit generating cash flow, whichever is practical.

In case the carrying amount of an asset exceeds its net realizable value, the Company and subsidiaries will recognize an impairment loss in the statements of comprehensive income for the period or decrease appraisal surplus if those assets have been revaluated and recorded as appraisal surplus include in shareholders' equity. The Company and subsidiaries will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment as "other income" or "appraisal surplus", whichever is practical.

4.13 Financial instruments

Financial instrument shown in balance sheets consist of cash and cash equivalents, accounts receivable, loans to, accounts payable, bank overdrafts, loans from financial institutions, loans from related parties and liabilities under financial lease contract. Accounting policies regarding to recognition and measurement have been disclosed for each related transaction.

4.14 Transactions in foreign currencies

The Company and subsidiaries recorded its transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transaction dates. The outstanding balances of accounts in foreign currencies as at the statement of financial position date are converted into Thai Baht by using the exchange rates ruling on the same day.

Gain or loss on exchange is taken into income or expense as incurred.

The financial statements of the subsidiary which were prepared in foreign currency were converted into Thai Baht. The currency translation in the statements of comprehensive income was made by using weighted average rate during the period and the currency translation in the statements of financial position was made by using the exchange rates ruling on the date of statements of financial position. Difference from currency translation will be presented under other component of equity.

When the overseas company was taken over, the Company will record the difference from currency translation as income or expense from sale of such overseas company.

4.15 Employee Benefit obligation

The Company and the subsidiaries provide post - employment benefits obligation, payable to employees upon employee termination under the Thai Labor Protection Act. Such benefit obligation is regarded as Post-employment benefit obligation Project.

The Company and the subsidiaries calculate liabilities according to the project by discounting with Projected Unit Credit method assessed by an independent expert using actuarial technique. Such technique is based on various assumptions including discount of salary raise in the future, change in the number of employees, mortality rate and inflation.

Gain or loss from change in such estimate will be recognized in incomes or expenses in the occurring period.

4.16 Income tax

Income tax comprises current tax and deferred income tax.

Current Tax

The Company and subsidiaries record the current tax amount expected to be paid to tax entity as calculated from net taxable profit as prescribed in the Revenue Code.

4. Significant accounting policies (Cont.)

Deferred Tax

The Company and subsidiaries record deferred tax of temporary differences between the carrying amounts of assets and liabilities as at the end of reporting period and tax base of related assets and liabilities by using enforceable tax rate as at the end of reporting period.

The Company and subsidiaries recognize deferred tax liabilities of temporary differences liable to tax for all items. However, deferred tax assets for temporary differences used for tax deduction including unutilized tax loss in the amount probable that the Company and subsidiaries has sufficient taxable profit to utilize such temporary difference to deduct tax and unutilized tax loss.

The Company and subsidiaries will review carrying amount of deferred tax assets at each reporting date and will reduce such carrying amount if it is probable that the Company and subsidiaries will have no sufficient future taxable profits for benefit utilization of partial or all deferred tax assets.

The Company and subsidiaries will record deferred tax directly to shareholders' equity in case income tax incurred is related to the transaction recorded directly to shareholders' equity.

4.17 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and subsidiaries, whether directly or indirectly, or which are under common control with the Company. They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and subsidiaries that give them significant influence over the Company and subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and subsidiaries.

4.18 Use of accounting estimates

The preparation of financial statements in conformity with Thai financial reporting standard requires management to make estimates for certain accounting transactions, affecting amounts reported in the financial statements and notes related thereto. Subsequent actual results may differ from estimates.

4.19 Provision for liabilities

The Company and subsidiaries recognize a provision for liabilities when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

4.20 Basic earnings (loss) per share

Earnings per share is presented in the statements of comprehensive income as Earnings (loss) per share. Basic earnings (loss) per share is computed by dividing net profit (loss) for the year by the weighted average number of common shares outstanding during the year, less number of the parent company's shares held by the subsidiary.

4. Changes in accounting policy for deferred tax

On January 1, 2013, the Company and subsidiaries has changed accounting policy for deferred tax, which recognized on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts as at the end of reporting period by using tax rate enacted as at the end of reporting period as stated in note 4.16. The company and subsidiaries has recorded deferred tax by using cumulative effects as an adjustment to the beginning retained earnings of 2013 and made retroactively adjustments the 2012 financial statements. From the changes in this accounting policy, the consolidated and separate financial statements for the year ended December 31, 2012 represented the decrease in beginning retained earnings by the amount of Baht 1,063.71 million (Separate: Baht 307.73 million) and net assets increase by Baht 131.12 million and net liabilities increase by Baht 1,194.83 million (Separate: Baht 307.73 million). The consolidated and separate financial statements for the years ended December 31, 2012 and January 1, 2012 had changed as follows:

5. Changes in accounting policy for deferred tax (Cont.)

Effective from changing in accounting policy to consolidated and separate financial statements are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2012	January 1, 2012	December 31, 2012	January 1, 2012
The statements of financial position				
Assets				
Increase in deferred tax assets	58,861	131,118	-	-
Liability				
Increase in deferred tax liability	1,251,927	1,194,828	295,009	307,730
Shareholders' equity				
Increase (Decrease) in Unappropriated				
Retained earnings	(515,629)	(498,271)	33,395	22,214
Decrease in other components of equity	(636,694)	(533,643)	(328,404)	(329,944)
Non-Controlling interests increase (decrease)	(40,743)	(31,796)	-	-

(Unit : Thousand Baht)

For the years ended December 31,

	Consolidated		Separate	
	2012	2012	2012	2012
	Statements of comprehensive income			
Increase (Decrease) in income tax			20,527	(11,181)
Increase (Decrease) total Comprehensive income for the period			(129,356)	12,720
Income tax-component of other comprehensive income (Decrease)			(108,829)	1,539
Increase (Decrease) in Basic earnings per share : Baht			(3.40)	0.05

6. Non-cash transaction

- 6.1 In 2013, the Company and the subsidiary purchased assets in credit in the amount of Baht 1.53 million (Consolidated income statements) and Baht 0.49 million (Separate Statements).
- 6.2 In 2013, the subsidiary purchased properties in credit in the amount of Baht 33.47 million (Consolidated income statements).
- 6.3 In 2012, the Company purchased properties in credit in the amount of Baht 0.11 million (Separate financial statements).
- 6.4 In 2012, the subsidiary purchased investment properties in the amount of Baht 30.47 million (Consolidated financial statements)
- 6.5 In 2012, the subsidiary transferred investment properties to be Other non-current assets in the amount of Baht 4.67 million (Consolidated financial statements).

7. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2013 and 2012 presented in the statements of cash flows comprise of :

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Cash on hand	5,009	5,043	3,232	3,411
Non - clearing cheques	5,831	8,412	488	203
Current accounts	23,135	15,612	6,600	2,277
Saving accounts	58,704	61,507	1,748	388
Fixed deposits	8	8	-	-
Total	<u>92,687</u>	<u>90,582</u>	<u>12,068</u>	<u>6,279</u>

8. Trade accounts receivable and other receivable

Trade accounts receivable

Trade accounts receivable are classified by aging as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
The Company and its two subsidiaries, involved in the hotel business :				
Current accounts	16,924	13,977	9,204	10,153
Overdue 1 - 30 days	10,146	9,801	5,752	6,105
Overdue 31 - 60 days	1,814	3,878	1,049	849
Overdue 61 - 90 days	2,457	4,290	440	217
Overdue 91 - 365 days	7,754	8,340	28	159
Overdue more than 1 year	6,272	4,433	1,367	1,317
	<u>45,367</u>	<u>44,719</u>	<u>17,840</u>	<u>18,800</u>
Less Provision for doubtful debt	(6,272)	(4,433)	(1,367)	(1,317)
Total	<u>39,095</u>	<u>40,286</u>	<u>16,473</u>	<u>17,483</u>

8. Trade accounts receivable and other receivable (Cont.)

(Unit : Thousand Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Subsidiary company - Zeer Property Plc. involved in rental shopping complex business :				
Current accounts	7,278	9,194	-	-
Overdue 1 - 30 days	26,220	16,201	-	-
Overdue 31 - 60 days	11,070	5,167	-	-
Overdue 61 - 90 days	8,879	2,889	-	-
Overdue 91 - 365 days	14,746	5,026	-	-
Overdue more than 1 year	5,428	4,222	-	-
	<u>73,621</u>	<u>42,699</u>	<u>-</u>	<u>-</u>
Less Provision for doubtful debt	(9,820)	(5,767)	-	-
	<u>63,801</u>	<u>36,932</u>	<u>-</u>	<u>-</u>
Total	102,896	77,218	16,473	17,483
Post dated cheques	693	270	-	-
Trade accounts receivable - net	<u>103,589</u>	<u>77,488</u>	<u>16,473</u>	<u>17,483</u>
Other receivable				
Other receivable	697	713	-	-
Advance from construction	21,500	-	-	-
Prepaid expenses	2,752	2,634	1,112	958
Others	3,831	4,525	752	830
Total	<u>28,780</u>	<u>7,872</u>	<u>1,864</u>	<u>1,788</u>
Total trade accounts receivable and other receivable	<u>132,369</u>	<u>85,360</u>	<u>18,337</u>	<u>19,271</u>
Change in provision for doubtful debt				
Beginning balance	10,200	10,811	1,317	1,340
Increase (Decrease) during the period	5,892	(611)	50	(23)
Ending balance	<u>16,092</u>	<u>10,200</u>	<u>1,367</u>	<u>1,317</u>

9. Inventories

(Unit : Thousand Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Restaurant				
- Food	3,747	3,217	1,569	1,325
- Beverage	1,721	1,583	873	869
- Supplies	3,121	3,328	193	309
Hotel				
- Supplies	4,461	7,554	2,196	2,250
- Operating equipment	12,864	13,474	2,671	2,317
- Reserve of operating equipment	15,034	11,865	11,957	11,865
Total	40,948	41,021	19,459	18,935
Less Allowance for impairment of inventories	(140)	(142)	(140)	(142)
Inventories	40,808	40,879	19,319	18,793

10. Long-term investments in subsidiaries

(Unit : Thousand Baht)

Name	Business	Relationship	Paid-up share capital		Percentage of shareholding		Investments-at Cost		Dividend	
			December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Subsidiaries										
Asia Pattaya Hotel Co., Ltd.	Hotel	Shareholder	120,000	120,000	99.42	99.42	119,300	119,300	-	-
Asia Airport Hotel Co., Ltd.	Hotel	Shareholder	495,000	495,000	100.00	100.00	592,499	592,499	-	-
Zeer Property Plc.	Construction and rental shopping complexes	Shareholder	225,000	225,000	94.85	94.85	428,794	428,794	64,024	117,377
Total							1,140,593	1,140,593		

At the board of directors' meeting No. 7/2013 held on November 12, 2013 the subsidiary, Zeer Property Plc., passed a resolution to pay dividend from net profit of the period January to June 2013 at the rate Baht 0.15 per share for 225 million shares, totaling Baht 33.75 million was paid on December 11, 2013.

At the ordinary shareholders' meeting No. 1/2013 held on April 30, 2013, the subsidiary, Zeer Property Plc., passed a resolution to pay annual dividend from operating result of the period January 1 to December 31, 2012 at the rate Baht 0.40 per share for 225 million shares, totaling Baht 90 million. Zeer Property Plc. has paid interim dividend on September 4, 2012 at the rate Baht 0.25 per share in amount of Baht 56.25 million and the remaining dividend at Baht 0.15 per share in amount of Baht 33.75 million was paid on May 27, 2013.

11. Long-term investments with other companies

(Unit : Thousand Baht)

Name	Business	Relationship	Paid-up share capital		Percentage of shareholding	Investments-at Cost		Dividend	
			December 31, 2013	December 31, 2012		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Jet Cat Tour Co., Ltd.	Travelling	Shareholder	800,000	800,000	19	15,200	15,200	-	-
Less Provision for declining in value of investment						(15,200)	(15,200)		
Net						-	-		

12. Restricted deposit with financial institution

Fixed deposit of a subsidiaries, Zeer Property Plc. in amount of Baht 4 million was pledged to guarantee for overdraft as stated in Note 19.

13. Investment properties

(Unit : Thousand Baht)

	Consolidated					
	December 31, 2013			December 31, 2012		
	Generating income	Non-generating income	Total	Generating income	Non-generating income	Total
Beginning balance of investment properties	4,571,363	94,918	4,666,281	4,525,666	-	4,525,666
Increase during the period	6,408	125,768	132,176	42,550	94,918	137,468
Decrease during the period	(227)	(36,197)	(36,424)	(12,081)	-	(12,081)
Total	4,577,544	184,489	4,762,033	4,556,135	94,918	4,651,053
Gain on fair value adjustment on investment properties	412,369	-	412,369	15,228	-	15,228
Ending balance of investment properties	4,989,913	184,489	5,174,402	4,571,363	94,918	4,666,281

13. Investment properties (Cont.)

	(Unit : Thousand Baht)	
	Consolidated	
	December 31, 2013	December 31, 2012
Statements of comprehensive income		
Rental and services income	585,640	526,267
Cost of rentals and services	237,259	251,915
Amortized interest on land rental under financial lease	17,343	17,343

Fair value of investment properties as at December 31, 2013 in consolidated financial statements amount of Baht 5,174.40 million have detail as follows :

Generating income estimated by Income Approach consist of :

- Zeer building Rangsit value of Baht 4,778 million was estimated by the Modern Properties Consultant Co., Ltd. to use the remaining term of lease of 34 years 3 months on January 25, 2014.
- The value of foreign subsidiaries amount of Baht 211.92 million (Dollars 6.90 million) were estimated by management using the same criteria on an independent appraiser to an appraisal value to financial statements for November 22, 2013.

Non generating income cause consist of : Building under construction value of Baht 184.48 million is stated at cost

Fair value of investment properties as at December 31, 2012 in consolidated financial statements amount of Baht 4,666.28 million have detail as follows :

Generating income estimated by Income Approach consist of :

- Zeer building Rangsit value of Baht 4,380.62 million was estimated by the Modern Properties Consultant Co., Ltd. to use the remaining term of lease of 35 years 3 months on February 14, 2013.
- The value of foreign subsidiaries amount of Baht 190.74 million (Dollars 6.25 million) were estimated by management using the same criteria on an independent appraiser to an appraisal value to financial statements for February 21, 2013.

Non generating income cause consist of : Building under construction value of Baht 94.92 million is stated at cost

The subsidiary used partial of these investment properties as collateral for loan from two commercial banks (note 19, 21).

14. Property, plant and equipment

	Consolidated												(Unit : Thousand Baht)	
	Land		Land improvement	Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus		Historical cost	Revaluation surplus									
Cost														
As at January 1, 2012	248,409	2,140,966	1,545	1,146,375	652,482	170,223	251,092	713,954	103,067	150,197	39,209	53,803	152,621	5,823,943
purchase	1,798						6,346	1,057	118	7,326	3,943	911	26,139	47,638
Revaluation					564,420									564,420
Disposal/Write off							(2,245)	(1,697)	(354)	(1,360)	(3,970)			(9,626)
Transfer in (out)				78,842		32,653	1,169	28,982					(141,646)	-
As at December 31, 2012	250,207	2,140,966	1,545	1,225,217	1,216,902	202,876	256,362	742,296	102,831	156,163	39,182	54,714	37,114	6,426,375
purchase							2,203	2,144	295	4,915	3,095	415	12,067	25,134
Revaluation														
Disposal/Write off							(3,132)	(4,195)	(419)	(1,849)	(1,179)	(419)	(209)	(11,402)
Transfer in (out)	362			882		2,104	10,457	20,743	126	576			(35,868)	(618)
As at December 31, 2013	250,569	2,140,966	1,545	1,226,099	1,216,902	204,980	265,890	760,988	102,833	159,805	41,098	54,710	13,104	6,439,489

14. Property, plant and equipment (Cont.)

Consolidated

(Unit : Thousand Baht)

	Land		Land improvement Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total	
	Historical cost	Revaluation surplus	Historical cost	Revaluation surplus										
Less Accumulated depreciation														
As at January 1, 2012	-	-	1,538	654,279	115,778	51,709	177,714	500,089	78,810	130,912	30,098	43,521	-	1,784,448
Depreciation														
Cost				15,599		9,257	13,432	37,785	3,513	5,380	3,247	4,075		92,288
Revaluated					20,278									20,278
Depreciation for:														
Disposal/Write off							(2,227)	(1,697)	(354)	(1,238)	(3,918)			(9,434)
Transfer in (out)														-
As at December 31, 2012	-	-	1,538	669,878	136,056	60,966	188,919	536,177	81,969	135,054	29,427	47,596	-	1,887,580
Depreciation														
Cost			2	17,715		9,831	14,112	32,909	3,215	6,261	3,143	2,279		89,467
Revaluated					38,457									38,457
Depreciation for:														
Disposal/Write off							(3,101)	(4,008)	(412)	(1,847)	(809)	(419)		(10,596)
Transfer in (out)														
As at December 31, 2013	-	-	1,540	687,593	174,513	70,797	199,930	565,078	84,772	139,468	31,761	49,456	-	2,004,908
Net book value														
As at December 31, 2013	250,569	2,140,966	5	538,506	1,042,389	134,183	65,960	195,910	18,061	20,337	9,337	5,254	13,104	4,434,581
As at December 31, 2012	250,207	2,140,966	7	555,339	1,080,846	141,910	67,443	206,119	20,862	21,109	9,755	7,118	37,114	4,538,795

Depreciation for the year ended December 31, 2013 and 2012 was Baht 89.46 million and Baht 92.28 million, respectively.

Building and equipment has cost less accumulated depreciation which fully depreciated but still in use. The cost of assets as at December 31, 2013 and 2012 in the amount of Baht 1,239.33 million and Baht 1,218.20 million respectively.

As at December 31, 2013 and 2012, vehicles at net value of Baht 0.49 million and Baht 1.41 million, respectively in consolidated financial statements are under financial lease as stated in note 22.

The Company and subsidiaries use land with its construction as collateral for loan from a bank as stated in note 19 and 21.

14. Property, plant and equipment (Cont.)

Separated

(Unit : Thousand Baht)

	Land		Land improvement		Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus	Historical cost	Revaluation surplus	Historical cost	Revaluation surplus									
	Cost														
As at January 1, 2012	159,120	1,341,840	-	498,879	351,191		92,144	134,664	424,985	89,938	97,253	19,887	7,137	23,521	3,240,559
purchase								544	34	42	2,676	584		6,980	10,860
Revaluation															
Disposal/Write off								(2,202)	(1,697)	(354)	(1,130)	(3,822)			(9,205)
Transfer in (out)															-
As at December 31, 2012	159,120	1,341,840	-	498,879	351,191		92,144	133,006	423,322	89,626	98,799	16,649	7,137	30,501	3,242,214
purchase								1,276	92	26	798	1,380		10,426	13,998
Revaluation															
Disposal/Write off								(1,632)	(2,296)	(419)	(1,592)	(456)			(6,395)
Transfer in (out)							2,103	10,457	19,565	126				(32,251)	-
As at December 31, 2013	159,120	1,341,840	-	498,879	351,191		94,247	143,107	440,683	89,359	98,005	17,573	7,137	8,676	3,249,817

14. Property, plant and equipment (Cont.)

	Separated												(Unit : Thousand Baht)	
	Land		Land improvement	Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus		Historical cost	Revaluation surplus									
Less Accumulated depreciation														
As at January 1, 2012	-	-	-	365,322	43,311	11,525	100,399	268,506	68,148	90,210	17,737	6,471	-	971,629
Depreciation														
Cost				4,802		6,683	6,379	19,024	2,731	2,210	799			42,628
Revaluated					7,697									7,697
Depreciation for:														
Disposal/Write off							(2,197)	(1,697)	(354)	(1,095)	(3,810)			(9,153)
Transfer in (out)														-
As at December 31, 2012	-	-	-	370,124	51,008	18,208	104,581	285,833	70,525	91,325	14,726	6,471	-	1,012,801
Depreciation														
Cost				4,802		6,393	7,214	20,041	2,734	2,447	870			44,501
Revaluated					7,698									7,698
Depreciation for:														
Disposal/Write off							(1,602)	(2,295)	(413)	(1,591)	(450)			(6,351)
Transfer in (out)														-
As at December 31, 2013	-	-	-	374,926	58,706	24,601	110,193	303,579	72,846	92,181	15,146	6,471	-	1,058,649
Net book value														
As at December 31, 2013	159,120	1,341,840	-	123,953	292,485	69,646	32,914	137,104	16,513	5,824	2,427	666	8,676	2,191,168
As at December 31, 2012	159,120	1,341,840	-	128,755	300,183	73,936	28,425	137,489	19,101	7,474	1,923	666	30,501	2,229,413

Depreciation for the year December 31, 2013 and 2012 were Baht 44.50 million and Baht 42.63 million, respectively.

Building and equipment have cost less accumulated depreciation which are fully depreciated but still in use as at December 31, 2013 and 2012 in amount of Baht 811.57 million and Baht 809.88 million, respectively.

14. Property, plant and equipment (Cont.)

In calculating depreciation on the revaluation surplus on plant that the Company and subsidiaries acquired before January 1, 2011 for preparation the financial statements for the year ended December 31, 2013, the Company and subsidiaries continued to apply the alternative method per Notification No. 25/2006 issued by the Federation of Accounting Profession (FAP), with reference to the accounting method detailed in Notification No. 18/2011 issued by the FAP announced in Royal Gazette on May 6, 2011, which allows the Company and subsidiaries to continue using the method stipulated in Notification No. 25/2006 until the accounting period commencing on or after January 1, 2016 allowing entities which carry their assets at revalued amounts to calculate depreciation to be charged to the statements of income based on the historical cost of the assets instead of on the revalued amounts. However, if the Company and subsidiaries had the depreciation charge been calculated based on the revalued amounts, net income and earnings per share would have been changed to the following:

	(Unit : Thousand Baht)			
	For the year ended December 31,			
	Consolidated		Separate	
	2013	2012	2013	2012
Decrease in net profit	38,457	20,278	7,697	7,697
Decrease in basic earnings per share	1.20	0.63	0.24	0.24

14. Reappraisal

In 2012, the Company provided an independent appraiser, Zeer Property Plc. to appraise its land, building and construction by Modern Properties Consultant Co., Ltd.. The appraisal report dated February 14, 2013 by using replacement cost approach (which is revalued after depreciation) in amount of Baht 564.42 million.

The Company and subsidiaries recorded excess over cost of the appraised value in “revaluation surplus of assets” under “shareholders’ equity” in the statements of financial position.

The revaluation resulted in a surplus of the assets as follows:

	(Unit : Thousand Baht)					
	Consolidated					
	Balance as at January 1, 2013	Cumulative effects from change in accounting policy "income tax"	Balance as at January 1, 2013 (Restated)	Amortization during the period (increase)	Income Tax (Decrease)	Balance as at December 31, 2013
Land	2,140,966	(428,193)	1,712,773	-	-	1,712,773
Building and construction	1,205,992	(241,198)	964,794	-	-	964,794
Building improvement and construction	10,910	(2,182)	8,728	-	-	8,728
Total excess of revaluation surplus	3,357,868	(671,573)	2,686,295	-	-	2,686,295
Less : Accumulated revaluation surplus- write off	(136,056)	27,211	(108,845)	(38,457)	7,691	(139,611)
Total revaluation surplus	3,221,812	(644,362)	2,577,450	(38,457)	7,691	2,546,684
Less : Non-controlling interest -net						(29,777)
Total revaluation surplus-net						2,516,907

15. Reappraisal (Cont.)

(Unit : Thousand Baht)

	Separate					Balance as at December 31, 2013
	Balance as at January 1, 2013	Cumulative from change in accounting "income tax"	Balance as at January 1, 2013 (Restated)	Amortization during the period (increase)	Income Tax (Decrease)	
Land	1,341,840	(268,368)	1,073,472	-	-	1,073,472
Building and construction	351,189	(70,238)	280,951	-	-	280,951
Total excess of revaluation surplus	1,693,029	(338,606)	1,354,423	-	-	1,354,423
Less : Accumulated revaluation surplus- write off	(51,008)	10,202	(40,806)	(7,697)	1,540	(46,963)
Total revaluation surplus-net	1,642,021	(328,404)	1,313,617	(7,697)	1,540	1,307,460

16. Intangible assets

(Unit : Thousand Baht)

	Computer software	
	Consolidated	Separate
Cost :		
As at January 1, 2012	7,214	2,239
Increase	140	84
Disposal	-	-
As at December 31, 2012	7,354	2,323
Increase	712	343
Disposal	-	-
As at December 31, 2013	8,066	2,666
Less Accumulated amortization		
As at January 1, 2012	5,571	2,154
Increase	561	82
Disposal	-	-
As at December 31, 2012	6,132	2,236
Increase	531	46
Disposal	-	-
As at December 31, 2013	6,663	2,282
Net book value		
As at December 31, 2013	1,403	384
As at December 31, 2012	1,222	87

Amortization for the year ended December 31, 2013 and 2012 were Baht 0.53 million and Baht 0.56 million, respectively in consolidated financial statements and Baht 0.05 Million and Baht 0.08 million in separate financial statements.

17. Income tax expense / Deferred tax

Deferred tax assets and liabilities are as follows:

(Unit : Thousand Baht)

	Consolidated					
	Assets		Liabilities		Net	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Inventories	(28)	(28)	-	-	(28)	(28)
Investment properties	-	-	824,173	727,784	824,173	727,784
Property, plant and equipment	(6,990)	(7,267)	748	600	(6,242)	(6,667)
Property, plant and equipment - revaluated	-	-	636,671	644,362	636,671	644,362
Land rent payable recognised under						
financial lease agreement	(91,684)	(96,777)	-	-	(91,684)	(96,777)
Employee benefit obligation	(12,075)	(11,062)	-	-	(12,075)	(11,062)
Deferred income - leasehold rights on area	(7,913)	(8,772)	-	-	(7,913)	(8,772)
Future taxable loss	(50,714)	(46,894)	-	-	(50,714)	(46,894)
Others	(113,140)	(116,922)	105,977	108,042	(7,163)	(8,880)
Total	(282,544)	(287,722)	1,567,569	1,480,788	1,285,025	1,193,066
Income tax offsetting	222,023	228,861	(222,023)	(228,861)	-	-
Deferred tax (assets) and liabilities - net	(60,521)	(58,861)	1,345,546	1,251,927	1,285,025	1,193,066

(Unit : Thousand Baht)

	Separate					
	Assets		Liabilities		Net	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Inventories	(28)	(28)	-	-	(28)	(28)
Property, plant and equipment - revaluated	-	-	326,865	328,404	326,865	328,404
Employee benefit obligation	(5,271)	(4,874)	-	-	(5,271)	(4,874)
Future taxable loss	(29,597)	(28,493)	-	-	(29,597)	(28,493)
Total	(34,896)	(33,395)	326,865	328,404	291,969	295,009
Income tax offsetting	34,896	33,395	(34,896)	(33,395)	-	-
Deferred tax (assets) and liabilities - net	-	-	291,969	295,009	291,969	295,009

17. Income tax expense / Deferred tax (Cont.)

Income tax expense stated in statement of comprehensive income is as follows:

	(Unit : Thousand Baht)			
	For the year ended December 31,			
	Consolidated		Separate	
	2013	2012	2013	2012
Current income tax				
Income tax for the period				
Currently	55,793	43,768	-	-
Previously	7,600	-	-	-
Deferred tax				
Deferred tax expense (income) from the temporary differences and reversal of temporary differences	99,650	20,527	(1,501)	(11,181)
Income tax expense	<u>163,043</u>	<u>64,295</u>	<u>(1,501)</u>	<u>(11,181)</u>

Reconcile between income tax expenses and the product of accounting profit multiplied by the applicable tax rates are as follows:

	(Unit : Thousand Baht)			
	For the year ended December 31,			
	Consolidated			
	Tax rates	2013	Tax rates	2012
(%)	Amount	(%)	Amount	
Accounting profit before corporate income tax		688,023		230,664
Less (gain) loss which not to pay tax		(89)		36,217
Accounting profit before corporate income tax		<u>687,934</u>		<u>266,881</u>
Amount of income tax from tax rate	20	137,758	20	61,383
Amount of income tax from foreign tax rate	39.94	5,800		-
Tax consequences for:				
Income tax exemption		(1,350)		(4,751)
Non - taxable expense		9,838		6,424
Others		2,340		53
Tax consequences for income tax		<u>1,057</u>		<u>1,186</u>
Income tax expense	22.59	<u>155,443</u>	24.09	<u>64,295</u>

17. Income tax expense / Deferred tax (Cont.)

(Unit : Thousand Baht)

	For the year ended December 31,			
	Separate			
	Tax rates	2013	Tax rates	2012
	(%)	Amount	(%)	Amount
Accounting profit before corporate income tax		56,400		78,540
The product of accounting profit multiplied by the applicable tax rates	20	11,280	23	18,064
Tax consequences for:				
Net income which not to pay tax		(14,155)		(31,584)
Non - taxable expense		172		798
Other		1,202		(163)
Tax consequences for income tax		-		1,704
Income tax expense	2.66	<u>(1,501)</u>	14.23	<u>(11,181)</u>

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

The subsidiary in oversea calculated income tax using the effective tax rate instead of the progressive tax rate.

18. Prepaid rental

(Unit : Thousand Baht)

	Consolidated / Separate	
	December 31, 2013	December 31, 2012
Beginning balance	33,915	29,000
Increase during period	-	4,915
Total	33,915	33,915
Less Accumulated amortization	(20,751)	(19,538)
Net	<u>13,164</u>	<u>14,377</u>

Amortization for the year ended December 31, 2013 and 2012 was Baht 1.21 and Baht 1.17 million, respectively.

The Company entered into rental agreement with the Bureau of Crown Property ; term of agreement is 20 years with rental prepayment in the amount of Baht 4.91 million.

19. Bank overdrafts and short-term loans from financial institutions

(Unit : Thousand Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Overdrafts	41,486	69,989	19,679	31,737
Promissory notes	25,000	60,000	-	10,000
Total	66,486	129,989	19,679	41,737

As at December 31, 2013 and 2012, the Company and subsidiaries had the credit facilities for loans as follows:

- 19.1 The Company: Overdrafts Baht 41 million and promissory notes Baht 40 million with interest rate at MLR% were guaranteed by directors of the Company and by mortgaging the land with its construction of the Company as stated in note 14 and of Asia Pattaya Hotel Co., Ltd. and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.
- 19.2 A subsidiary–Asia Pattaya Hotel Co., Ltd.: Baht 25 million was guaranteed by directors of Asia Pattaya Hotel Co., Ltd. and by mortgaging the land with its construction of Asia Pattaya Hotel Co., Ltd. and of the Company in note 14, and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd. as stated in note 14.
- 19.3 A subsidiary–Asia Airport Hotel Co., Ltd. : Baht 10 million was guaranteed by the directors of the Company, Asia Hotel Public Company Limited, and leasehold right on Zeer Rangsit Complex.
- 19.4 A subsidiary–Zeer Property Plc.: Overdrafts Baht 54 million and promissory notes Baht 50 million, respectively with interest rate at MOR-1%, guaranteed by the directors of the Company and of Don Muang Grand Plaza Co., Ltd., by mortgaging investment properties and land with its construction in Cha-am as stated in note 13 and 14, leasehold right on area of Zeer Rungsit ,and deposits at financial institution as stated in note 12.

20. Other payable

(Unit : Thousand Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Accrued expenses	32,667	42,781	13,122	11,133
Guarantee and deposit	15,438	12,172	4,276	4,027
Unearned revenues	2,462	2,855	162	258
VAT payable and output tax	10,048	7,961	1,957	1,950
Retention	6,050	5,880	584	363
Others	4,114	2,750	266	390
Total	70,779	74,399	20,367	18,121

21. Long-term loans

The Company and subsidiaries have the long – term loans as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
21.1 Loans from bank	1,044,500	1,109,000	1,044,500	1,109,000
Less Current portion	(70,500)	(64,500)	(70,500)	(64,500)
Balance	974,000	1,044,500	974,000	1,044,500
21.2 Loans from bank - Subsidiary				
Asia Pattaya Hotel Co., Ltd.	148,000	158,000	-	-
Less Current portion	(10,000)	(10,000)	-	-
Balance	138,000	148,000	-	-
21.3 Loans from bank - Subsidiary				
Asia Airport Hotel Co., Ltd.	93,500	101,500	-	-
Less Current portion	(8,000)	(8,000)	-	-
Balance	85,500	93,500	-	-
21.4 Loans from bank - Subsidiary				
Zeer Property Plc.	412,442	389,467	-	-
Less Current portion	(43,179)	(35,000)	-	-
Balance	369,263	354,467	-	-
Total long-term loans	1,698,442	1,757,967	1,044,500	1,109,000
Less Current portion	(131,679)	(117,500)	(70,500)	(64,500)
Long-term loans - net	1,566,763	1,640,467	974,000	1,044,500

21.1 On April 28, 2008, the Company entered into the long-term loan agreement facilities of Baht 1,350 million with a bank to repay the existing balance of loan from 4 financial institutions Baht 1,070 million and to improve building of Baht 280 million. The Company has the commitment to repay the new loan on a quarterly basis for 60 installments and pay interest monthly at the rate of MLR-1.5% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023.

21.2 On April 30, 2008, a subsidiary, Asia Pattaya Hotel Co., Ltd., had engaged in a new loan agreement from the same existing loan lender of the subsidiary in order to settle the existing loan in the amount of Baht 220 million. The subsidiary has the commitment to repay the new loan on a quarterly basis for 60 installments and pay the interest monthly at the rate of MLR-1.5% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023, causing the former loan agreement to be entirely revoked.

21.3 On April 30, 2008, a subsidiary, Asia Airport Hotel Co., Ltd., had engaged in a new loan agreement from the same existing loan lender of the subsidiary in order to settle the existing loan in the amount of Baht 150 million. The subsidiary has the commitment to repay the new loan on a quarterly basis for 60 installments and pay the interest monthly at the rate of MLR-1.5% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023, causing the former loan agreements both short-term and long-term including the amendment to be entirely revoked.

21.4 A subsidiary, Zeer Property Plc., has loans from many banks as follows:

21.4.1 On August 11, 2011, the subsidiary made loan agreement with a bank in facilities of Baht 140 million in order to settle the existing loan with a bank. The subsidiary has the commitment to repay the new loan on a quarterly basis for 40 installments and pay the interest monthly at the rate of MLR-1.50% per annum for the 1st – 3rd year, at MLR – 1.00% per annum for the 4th – 7th year and at MLR - 0.05% per annum for the 8th year onwards, commencing in November 2011 and will be completed in October 2021.

21.4.2 On January 11, 2011, the subsidiary entered into loan agreement with a financial institution in credit line of Baht 180 million in order to provide loan to subsidiary ZEER OVERSEA LLC. to purchase investment properties in USA. The principal is required to be paid through 120 installments and interest is required to be monthly paid with interest rate at MLR – 0.25% per annum for the first two years and at MLR per annum for the third year onwards, commencing in April 2011 and will be completed in March 2021.

21.4.3 On February 2, 2010, the subsidiary had loan from bank in facilities Baht 208 million in order to purchase land with construction (Cha-am Project) in amount of Baht 128 million and Baht 80 million has not been withdrawn yet with interest rate at MLR-0.25% per annum for the 1st – 2nd year and at MLR per annum for the 3rd year onwards through 120 monthly installments. The loan is graced for principal payment for the first 18 installments. The loan is repaid in August 2011 and will be completed in January 2020.

The Company and its two subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd., mortgaged land with its construction together with leasehold right on space in Zeer Rungsit Complex for 39,380 square meters which is the location of Asia Airport Hotel and the guarantee from related companies and some directors of the Company and of the subsidiaries as collateral for the loans from bank in facilities Baht 1,350 million, Asia Pattaya Hotel Co., Ltd. in facilities of Baht 220 million, Asia Airport Hotel Co., Ltd. in facilities of Baht 150 million and loan of Zeer Property Plc. in facilities of Baht 388 million.

A subsidiary, Zeer Property Plc., mortgaged investment properties, land with its construction (Cha-am Project), leasehold right (sub-contract) of Zeer Rungsit Complex, and the guarantee from related companies, related persons and some directors of Zeer Property Plc. as collateral for its loans from bank in facilities Baht 1,578 million.

22. Liability under financial lease agreement

	(Unit : Thousand Baht)	
	Consolidated	
	December 31, 2013	December 31, 2012
Vehicles	4,630	8,630
Less Accumulated depreciation	(4,142)	(7,215)
Net book value	488	1,415
Minimum amount which must be paid for the above mentioned financial lease agreements :		
Within 1 year	249	1,812
Over 1 year but not over 3 years	166	415
	415	2,227
Less Future interest	(22)	(110)
Present value	393	2,117
Liabilities under financial lease agreements excluding future interest :		
Liabilities under financial lease agreements	393	2,117
Less Current portion	(231)	(1,724)
Net	162	393

Two subsidiaries, Zeer Property Plc. and Asia Pattaya Hotel Co., Ltd. entered into financial lease agreements with other companies as follows :

The 1st agreement : 60 installments of Baht 36,000 each, ending in October 2014

The 2nd agreement : 60 installments of Baht 20,773 each, ending in August 2015

23. Land rent payable recognised under financial lease agreements

Land payable under financial lease agreement derived from operating lease agreement which the subsidiary, Zeer Property Plc., recorded as investment properties (note 13). In 1991, the subsidiary entered into lease agreements for the land with Don Muang Grand Plaza Co., Ltd. on the land of 78 rai 1 ngarn for the period of 30 years ended on March 31, 2023 by making leasehold right of Baht 100 million and monthly rental over the lease term with various amount of Baht 300,000.00 to Baht 878,460.00.

In 2007, the subsidiary had extended the existing lease agreement on land of 78 rai 1 ngarn for the period of 25 years, ended on March 31, 2048 by making monthly payment at Baht 878,460.00 and made more land lease on the land of 8 rai 59 square wah for the period of 40 years 7 months, ended on March 31, 2048 by making yearly payment at various amount of Baht 29,167.00 to Baht 50,000.00. The subsidiary agreed to pay land rental (two plots of land) in total amount of Baht 113.00 million and already registered with the Land Department for 25 years, ended on March 31, 2048.

In 2008, the extended lease agreement on land for the total area of 86 rai 1 ngarn 59 square wah was amended as to the monthly rental fee and the condition on the rental payment. This resulted in the total rental fee of the first lease agreement on land of 78 rai 1 ngarn to be Baht 353.96 million (increased Baht 90.43 million) and the second lease agreement on land of 8 rai 59 square wah to be Baht 183.78 million (increased Baht 181.75 million). After the amendment, the total amount of land rental fees for both lease agreements are Baht 537.74 million (increased Baht 272.18 million). However, the amendment on the lease agreements on land has not yet been registered.

The lease payment is recognized on a financial lease basis by the subsidiaries which recorded the difference of interest amount, calculated based on present value with discount rate at 6.125 % per annum, and installment payment in accordance with the agreement in the account name “Accrued interest expense-land rental” ; principal repayment will be repaid on April 2015 onwards.

Minimum amount which must be paid for the financial lease agreements :

	(Unit : Thousand Baht)	
	Consolidated	
	December 31, 2013	December 31, 2012
Within 1 year	25,982	23,765
Over 1 year but not over 3 years	54,266	50,666
Over 3 years but not over 5 years	58,585	55,166
Over 5 years	469,121	500,124
	607,954	629,721
Less future interest	(318,185)	(335,529)
Accrued interest rental	(10,658)	(15,081)
Present value	279,111	279,111

24. Employee benefit obligation

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Employee benefit obligation				
Beginning balance	55,311	48,896	24,369	22,083
Employee benefit expense	7,853	7,192	3,409	3,062
Decrease in employee benefit expense	(2,788)	(777)	(1,422)	(776)
Ending balance	<u>60,376</u>	<u>55,311</u>	<u>26,356</u>	<u>24,369</u>

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Employee benefits payment				
For the year				
Service cost from hotel business	3,263	2,982	1,807	1,601
Cost of rental and service	478	239	-	-
Selling expense	303	249	-	-
Administrative expense	3,809	3,722	1,602	1,461
Total	<u>7,853</u>	<u>7,192</u>	<u>3,409</u>	<u>3,062</u>

25. Guarantee for rental

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Asia Hotel Plc.	9,472	7,972	9,472	7,972
Asia Airport Hotel Co., Ltd.	858	910	-	-
Asia Pattaya Hotel Co., Ltd.	212	198	-	-
Zeer Property Plc.	148,739	138,955	-	-
Total	<u>159,281</u>	<u>148,035</u>	<u>9,472</u>	<u>7,972</u>

Guarantee for rent of the Company and subsidiaries will be returned to the lessees when the lease agreements are terminated.

26. Deferred income - leasehold rights on leased area

A subsidiary has deferred income - leasehold rights on the leased are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	December 31, 2013	December 31, 2012
Deferred income-leasehold rights on lease area	223,921	223,921
Less Accumulated amortization	(159,656)	(152,428)
Deferred income-leasehold rights on lease area	64,265	71,493
Less Current portion	(8,278)	(8,278)
Net	55,987	63,215
Deferred income is recognized as revenue as follow :		
Within 1 year	8,278	8,278
Over 1 year but not over 5 years	33,113	33,113
Over 5 years	22,874	30,102
Total	64,265	71,493

A subsidiary, Zeer Property Plc., entered into a lease agreement with the lessees to rent the area in Zeer Rangsit Complex, for a leasehold rights period of 21-28 years. Zeer Property Plc. recognized the deferred income - leasehold rights on leased area, as income using the straight-line method over 21-28 years as per lease agreement period.

27. Related party transactions

The financial statements included related party transactions; the bases used for determining a related party are inter-company shareholding or the same group of shareholders, directors or management team.

Name	Country	Relationship	Related by
Asia Pattaya Hotel Co., Ltd.	Thailand	Subsidiary	Direct shareholder
Asia Airport Hotel Co., Ltd.	Thailand	Subsidiary	Direct shareholder
Zeer Property Plc.	Thailand	Subsidiary	Direct shareholder
Zeer Asset Co., Ltd.	Thailand	Subsidiary	Indirect shareholder
ZEER OVERSEA LLC.	USA	Subsidiary	Indirect shareholder
A.B.K. Enterprise Co., Ltd.	Thailand	Related company	Common major shareholder and
Don Mueng Grand Plaza Co., Ltd.	Thailand	Related company	Common shareholders and director

27. Related party transactions (Cont.)

(Unit: Thousand Baht)

Statements of financial position	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	27.1 Accounts receivable			
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	95	50
Asia Airport Hotel Co., Ltd.	-	-	278	264
Zeer Property Plc.	-	-	16	22
27.2 Other receivable				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	12	1
Asia Airport Hotel Co., Ltd.	-	-	302	186

(Unit : Thousand Baht)

	Consolidated		Separate		Policy to charge the Inter-company borrowing cost (%)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	27.3 Long - term loans and accrued interest income - related parties					

Long - term loans

Related company

A.B.K. Enterprise Co., Ltd.

- Loans	-	-	-	-
- Accrued interest income	381,640	394,640	381,640	394,640
Total	381,640	394,640	381,640	394,640
Less Allowance for doubtful account	(301,259)	(308,059)	(301,259)	(308,059)
Net	80,381	86,581	80,381	86,581

The Company gave loans to A.B.K. Enterprise Co., Ltd. and they entered into a debt restructuring agreement with its major shareholder, A.B.K. Enterprise Co., Ltd. according to the minutes of the extra ordinary shareholders' meeting No. 1/2000 dated November 27, 2000 as follows :

27. Related party transactions (Cont.)

The remaining accrued interest of Baht 471.84 million as follows :

- The repayment period cover 15 years from January 1, 2001 with the first 3 years grace period. The first repayment started on the last operating date of December 2004 as the following schedule:

Installment period	Installment amount per year (Baht)
2001 - 2003	Grace period
2004 - 2005	3,000,000.00
2006 - 2007	5,000,000.00
2008 - 2009	8,000,000.00
2010 - 2011	10,000,000.00
2012 - 2013	12,000,000.00
2014	15,000,000.00
2015 (last installment)	380,839,518.79

- There is no collateral for this part of the debt.
- There is no interest charged, unless A.B.K. Enterprise Co., Ltd., defaults on the repayment.
- If A.B.K. Enterprise Co., Ltd. can pay earlier than the repayment schedules, the discount will be granted according to the agreement.

A.B.K. Enterprise Co., Ltd which is the Company's interest receivable submitted letter of guarantee issued by financial institution to be collateral of its outstanding debt.

In year 2013, the above reversals of provision for doubtful debt of total interest receivable in the amount of Baht 90 million were based on the present value of the principal amount of bank guarantees of Baht 80.38 million as per the repayment schedule. The detail of bank guarantees are presented as follows:

<u>Guarantee period</u>		<u>Amount</u>
<u>From</u>	<u>To</u>	(Million Baht)
August 1, 2008	December 31, 2014	15
August 1, 2008	December 31, 2015	75
Total		<u>90</u>

27. Related party transactions (Cont.)

Movements of the long-term loans - receivable and accrued interest income - related parties (before provision for doubtful debt), these accounts consisted of:

(Unit : Thousand Baht)

	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Long-term loans and accrued interest income				
Related company				
A.B.K. Enterprise Co., Ltd.				
Beginning balance	394,640	419,840	394,640	419,840
Repayment during the period	(13,000)	(25,200)	(13,000)	(25,200)
Ending balance	381,640	394,640	381,640	394,640

(Unit : Thousand Baht)

	Consolidated		Separate		Policy to charge the Inter-company borrowing cost (%)	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
27.4 Accounts payable						
Subsidiaries						
Asia - Loans	-	-	-	45		
27.5 Short-term loans and accrued interest expenses from related parties						
Subsidiaries						
Asia Pattaya Hotel Co., Ltd.						
- Loans	-	-	139,455	152,455	7.25	7.25
- Accrued interest expense	-	-	108,271	96,967		
Total	-	-	247,726	249,422		
Asia Airport Hotel Co., Ltd.						
- Loans	-	-	21,621	12,621	7.25	7.25
- Accrued interest expense	-	-	19,999	18,722		
Total	-	-	41,620	31,343		
Total short-term loans and accrued interest expenses from related parties	-	-	289,346	280,765		

The Company has loans from 2 subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd., documented by promissory notes due at call and without collateral.

27. Related party transactions (Cont.)

Movements of the short-term loans and accrued interest expense - related parties, these accounts consisted of:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Short-term loans				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	152,455	160,855
Increase during the period	-	-	12,000	-
Repayment during the period	-	-	(25,000)	(8,400)
Ending balance	-	-	139,455	152,455
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	12,621	28,306
Increase during the period	-	-	20,000	4,100
Repayment during the period	-	-	(11,000)	(19,785)
Ending balance	-	-	21,621	12,621
Accrued interest expenses				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	96,967	85,361
Increase during the period	-	-	11,304	11,606
Repayment during the period	-	-	-	-
Ending balance	-	-	108,271	96,967
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	18,722	17,469
Increase during the period	-	-	1,277	1,253
Repayment during the period	-	-	-	-
Ending balance	-	-	19,999	18,722
27.6 Land rental recognised under financial lease agreement				
Don Mung Grand Plaza Co., Ltd.				
Liabilities under financial lease agreement	607,954	629,721	-	-
Future interest of financial lease agreement	(318,185)	(335,529)	-	-
Accrued deferred interest expenses - land rental	(10,658)	(15,081)	-	-
Total	279,111	279,111	-	-

27. Related party transactions (Cont)

(Unit : Thousand Baht)

	For the years ended December 31,				Pricing Policy
	Consolidated		Separate		
	2013	2012	2013	2012	
Statements of comprehensive income					
Rental income					
Subsidiary					
Asia Pattaya Hotel Co., Ltd.	-	-	1,200	1,200	As specified in agreement
Other income					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	3,495	-	Cost plus margin
Asia Pattaya Hotel Co., Ltd.	-	-	738	-	Cost plus margin
Zeer Property Plc.	-	-	111	-	Cost plus margin
Dividend					
Subsidiaries					
Zeer Property Plc.	-	-	64,024	117,377	
Amortized interest on land rental					
Related company					
Don Mung Grand Plaza Co., Ltd.	17,343	17,343	-	-	as specified in agreement
Interest expenses					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	1,277	1,253	7.25% per annum
Asia Pattaya Hotel Co., Ltd.	-	-	11,304	11,606	7.25% per annum

28. Commitments and contingent liabilities

As at December 31, 2013 and 2012, the Company and subsidiaries had the contingent liabilities, as follows:

- 28.1 Letters of guarantee issued by banks are as follows:
 - 28.1.1 The Company : in the amount of Baht 3.07 million.
 - 28.1.2 Subsidiary – Asia Pattaya Hotel Co., Ltd. : in the amount of Baht 1.32 million.
 - 28.1.3 Subsidiary – Zeer Property Plc. : in the amount of Baht 16.11 million.
 - 28.1.4 Subsidiary – Asia Airport Hotel Co., Ltd. : in the amount of Baht 1.20 million.
- 28.2 The Company guaranteed liabilities of its two subsidiaries in the amount of Baht 988 million and Baht 990 million, respectively.
- 28.3 The subsidiary – Asia Pattaya Hotel Co., Ltd. guaranteed liabilities of the Company and two subsidiaries in the amount of Baht 2,187 million and Baht 2,185 million, respectively.
- 28.4 The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of Baht 1,645 million.
- 28.5 The subsidiary – Zeer Property Plc. had credit line to guarantee liabilities of other companies in the amount of Baht 109.11 million.
- 28.6 The subsidiary – Zeer Property Plc. was sued by two insurance companies on the matter of violation on sub insurance right for the total amount of Baht 0.97 million and Baht 0.60 million. Presently the cases are still pending in , the Appeal Court and the Supreme Court.
- 28.7 The subsidiary– Zeer Property Plc. has credit line for foreign exchange of Baht 180 million from a bank which has not been withdrawn yet. Such credit lines were guaranteed by land leasehold of a related company, partial land leasehold in Zeer Rungsit of the subsidiary, land with construction on Cha-am project, a related company and the director of the subsidiary.
- 28.8 The subsidiary– Zeer Property Plc. has obligation to pay for construction project in the future in the amount of Baht 508.33 million and Baht 68.13 million, respectively.

29. Segment information

Segment information on operation of the Company and subsidiaries for the years ended December 31, 2013 and 2012 (restated) consisted of :

	(Unit : Thousand Baht)									
	Domestic						Abroad		Total	
	Room		Food and beverage		Rental and services		Rental and services			
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Income from hotel business	459,089	385,502	271,496	242,920	-	-	-	-	730,585	628,422
Cost of hotel business	(261,979)	(243,137)	(190,948)	(167,877)	-	-	-	-	(452,927)	(411,014)
Income from rental and service	-	-	-	-	565,863	507,877	19,777	18,391	585,640	526,268
Cost of rental and service	-	-	-	-	(187,054)	(246,591)	(50,204)	(5,324)	(237,258)	(251,915)
Amortized interest on land rental under financial lease	-	-	-	-	(17,344)	(17,344)	-	-	(17,344)	(17,344)
Gross profit	197,110	142,365	80,548	75,043	361,465	243,942	(30,427)	13,067	608,696	474,417
Gain (Loss) on fair value of adjustment of investment properties									412,369	15,229
Income on insurance compensation									-	30,000
Others income									61,436	52,341
Profit before expense									1,082,501	571,987
Selling expenses									(40,847)	(33,426)
Administrative expenses									(209,640)	(178,343)
Management benefit expenses									(19,758)	(18,187)
Directors' remuneration									(3,592)	(3,523)
Reversal provision for doubtful debt (Doubtful debt)									906	18,200
Bad Debt									(2,159)	(921)
Financial cost									(119,388)	(125,124)
Profit before corporate income tax									688,023	230,663
Corporate income tax									(163,043)	(64,295)
Net profit									524,980	166,368
Attributable to										
Equity holders of the parent									499,252	159,177
Non - controlling interests									25,728	7,191
Net assets										
Investment properties									5,174,402	4,666,281
Property, plant and equipment									4,434,581	4,538,796
Other assets									433,239	387,669
Total assets									10,042,222	9,592,746

29. Segment information (Cont.)

Segment information on geographic of the Company and subsidiaries as at December 31, 2013 and 2012 were as follows:

	(Unit :Thousand Baht)					
	Domestic		Overseas		Total	
	2013	2012	2013	2012	2013	2012
Investment properties	4,962,484	4,475,543	211,918	190,738	5,174,402	4,666,281
Property, plant and equipment	4,434,581	4,538,796	-	-	4,434,581	4,538,796

30. Dividend expense

- 30.1 According to the minutes of Annual General Meeting of the Company's shareholder's No. 51 held on April 30, 2013, passed resolution to approve annual dividend payment for operating result from January 1, 2012 to December 31, 2012 at the rate of Baht 1.40 per share of 32 million shares totaling Baht 44.80 million. The Company paid interim dividend at the rate of 0.85 Baht per share totaling Baht 27.20 million on October 10, 2012. Therefore, the remaining dividend to be paid at the rate of Baht 0.55 per share in the amount of Baht 17.60 million. Such dividend already paid on May 29, 2013.
- 30.2 At the board of directors' meeting No. 6/2013 held on November 12, 2013 the subsidiary, Zeer Property Plc., passed a resolution to pay interim dividend from net profit of the period January 2013 to June 2013 at the rate Baht 0.15 per share for 225 million shares, totaling Baht 33.75 million was paid on December 11, 2013.
- 30.3 According to the minutes of Annual General Meeting of the Company's shareholder's No. 1/2013 held on April 30, 2013. The subsidiary – Zeer Property Plc passed resolution to approve annual dividend payment for operating result from January 1, 2012 to December 31, 2012 at the rate of Baht 0.40 per share of 225 million shares totaling Baht 90 million. The Company paid interim dividend at the rate of 0.25 Baht per share totaling Baht 56.25 million on September 4, 2012. Therefore, the remaining dividend to be paid at the rate of Baht 0.15 per share in the amount of Baht 33.75 million. Such dividend already paid on May 27, 2013.
- 30.4 At the board of directors' meeting No. 9/2012 held on September 13, 2012. The Company pass a resolution to pay interim dividend from net profit of the period January 2012 to June 2012 at the rate Baht 0.85 per share for 32 million shares, totaling Baht 27.20 million. The dividend was paid on October 10, 2012.
- 30.5 According to the minutes of Annual General Meeting of the Company's shareholder's No. 1/2012 held on April 10, 2012 the subsidiary, Zeer Property Plc., passed a resolution to pay annual dividend from net profit of the period January 2011 to December 2011 at the rate Baht 0.45 per share for 225 million shares, totaling Baht 101.25 million. Zeer Property Plc. has paid interim dividends on July 27, 2011 at the rate Baht 0.15 per share in amount of Baht 33.75 million and January 30, 2012 at the rate Baht 0.15 per share in amount of Baht 33.75 million and the remaining dividend at Baht 0.15 per share in amount of Baht 33.75 million was paid on April 27, 2012.
- 30.6 At the board of directors' meeting No. 5/2012 held on August 8, 2012 the subsidiary, Zeer Property Plc., passed a resolution to pay interim dividend from net profit of the period January 2012 to June 2012 at the rate Baht 0.25 per share for 225 million shares, totaling Baht 56.25 million was paid on September 4, 2012.

31. Legal reserve

According to the Public Company Limited Act B.E. 2535, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total accumulated deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividends distribution.

32. Provident fund

On January 28, 2011, the Company and employees jointly registered the provident fund according to the Provident Fund Act B.E. 2530 and the Provident Fund Act (No. 2) B.E. 2542 and appointed an authorized manager to administer the fund. The fund is accumulated by the Company and employees and will be paid to the employees when they resign according to the fund's regulations.

The Company paid for employee's provident fund are as follows :

For the year ended December 31, 2013 and 2012, the Company paid in amount of Baht 3.52 million and Baht 3.47 million, respectively.

33. Other income

Other income of the Company and subsidiaries are as follows:

	(Unit : Thousand Baht)			
	For the year ended December 31,			
	Consolidated		Separate	
	2013	2012	2013	2012
Health club and car parking	2,416	4,031	1,834	1,808
Rental, service and electricity	41,891	35,859	38,279	31,867
Gain on exchange rate	2,610	1,229	876	881
Gain from sale of assets	410	107	157	102
Others	14,108	11,115	5,394	4,876
Total	61,435	52,341	46,540	39,534

34. Expenses analyze by nature

Significant expenses analyzed by nature as follows :

	(Unit : Thousand Baht)			
	For the year ended December 31,			
	Consolidated		Separate	
	2013	2012	2013	2012
Salaries, wages and other benefits for employee	325,382	292,353	151,649	139,721
Depreciation	89,467	92,288	44,501	42,628
Change in inventories	71	(1,713)	(526)	(235)
Electricity and water	213,584	189,668	37,752	32,239
Cost of foods and beverage	92,780	81,230	42,639	36,924
Repair and maintenance	37,888	75,317	4,812	5,128
Loss of the demolition of collapsed building	41,823	-	-	-

35. Directors' remuneration

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

36. Management benefit expenses

Management benefit expenses focuses expenses relating to salaries, remunerations and other benefits to the directors and management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Management under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these fourth executive levels.

37. Capital management

The objective of financial management of the Company and its subsidiaries is to maintain the continuity of operation capability and capital structure to be properly appropriated.

38. Disclosure of financial instruments

The Company and subsidiaries have disclosures of the financial instruments are as follows:

38.1 Credit risk

Credit risk refers to the risk if the other parties fail to perform their obligations, resulting in a financial loss to the Company. However, there is no significant concentration of credit risk for the Company and its subsidiaries. If the other parties fail to perform their contracts, the Company provides a provision for doubtful accounts in the full amount.

In the case of financial assets, the carrying amount of the assets recorded in the statement of financial position, net of provision for doubtful accounts, represents the Company's maximum exposure to credit risk.

38.2 Interest rate risk

Interest rate risk in the balance sheet arises from the potential change in interest rates that have an adverse effect on the earnings of the Company in the current reporting period and in future years, and the Company and its subsidiaries have a risk on the change of interest rates because of their huge liabilities.

38.3 Fair value of financial instruments

The following methods and assumptions were used by the Company in estimating the fair value of the financial instrument.

Cash on hand and at banks, accounts receivable and loans to related parties, the carrying values approximate their fair values.

Bank overdrafts and loans from financial institutions which have interest bearing at the market rate, have the carrying value close to their fair value approximately.

39. Impact from flood crisis and Fire

39.1 From flood crisis, the subsidiary, Zeer Property Plc., was affected and had damaged properties amounting to Baht 13.91 million. The subsidiary arranged the property insurance against loss or damage to properties from flood and received partial compensation amounting to Baht 30 million. At present it is during the assessment of compensation for the remaining damage.

39.2 On January 13, 2013, the subsidiary, Zeer Property Plc., has damaged properties in a small portion from fire. However, the subsidiary arranged the property insurance against loss from fire. At present it is during the assessment of compensation for such damage from the agent and the insurance company.

39.3 On March 31, 2013, the construction of dormitory of the subsidiary, Zeer Property Plc, total value of Baht 36.20 million was collapsed and tilted. The subsidiary had arranged the property insurance against damage. At present, it is during the assessment of compensation for such damage from the insurance company.

40. Approval of financial statements

These financial statements were approved by the Company's Board of Directors on February 27, 2014.

Details of Directors as of March 1, 2014
Attachment 1

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
1. Mr. Kumpol Techaruvichit Chairman of the Board and Executive Committee Managing Director Age 82 years As Director 47 years ago Passed away on December 16,2013	Distinative Honorary Degree Western Pacific University Hawaii , USA Certificate of Attendance DAP # 7/2004 from IOD.	561,996 (1.76%) Mr.Kumpol= 380,933 shares Spouse=181,063 shares	Husband of Mrs.Suvimol, Elder Brother of Mr. Amorn, Father of Mr.Surapong Mrs.Pornpun and Mrs. Oyetip	1993 - Dec 16,2013 Director, N.S.B. Co., Ltd. 1992 - Dec 16,2013 Chairman of the Board and M.D., Asia Airport Hotel Co.,Ltd. 1991 - Dec 16,2013 Chairman of the Board, Nam Seng Insurance Public Co., Ltd. 2008 - Mar 2012 Director, Zeer Property Public Co.,Ltd. 1990 - 2008 Chairman of the Board, Zeer Property Co.,Ltd. 1989 - Dec 16,2013 Chairman of the Board, Pamatoy Co., Ltd. 1988 - Dec 16,2013 Chairman of the Board and M.D., Pattaya Hotel Trading Co.,Ltd. 1988 - Dec 16,2013 Chairman of the Board and M.D., A.B.K. Enterprise Co.,Ltd. 1976 -Dec 16,2013 Chairman of the Board, N.S.Alliance Co., Ltd. 1972 - Dec 16,2013 Chairman of the Board and M.D., Asia Pattaya Hotel Co.,Ltd. 1966 - Dec 16,2013 Chairman of the Board and Executive Committee and M.D., Asia Hotel Public Company Limited	Real Estate Hotel & Rest. Insurance Area Subcontract Area Subcontract Manufacture Investment Holding Company Holding Company Hotel & Rest. Hotel & Rest.
2. Mr. Amorn Techaruvichit Vice Chairman, Age 67 years As director 32 years ago	MBA. WORDBARY COLLEGE, L.A. USA. Certificate of Attendance DAP # 7/2004 from IOD.	70,000 (0.22%)	Younger Brother of Mr. Kumpol,	2014 - Present President of Asia Hotel Groups , ASIA Hotel PLC,Asia Pattaya,Asia Airport 1990 - May 2011 Director,Zeer Property Public Co.,Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd. 1981 - Feb.2014 Deputy Managing Director and Executive Director, Asia Hotel Public Company Limited 1992 - Present Director , Asia Airport Hotel Co.,Ltd. 1972 - Present Director , Asia Pattaya Hotel Co.,Ltd.	Hotel & Rest. Area Subcontract Holding Hotel & Rest. Hotel & Rest. Hotel & Rest.
3. Mr.Surapong Techaruvichit Managing Director Appointed on 18 February,2014 Age 55 years As director 29 years ago	Bachelor Degree in Economics Chulalongkorn University MBA, NIDA, Bangkok Certificate of Attendance DAP # 7/2004 and DCP # 167/2012 from IOD.	226,666 (0.71%)	Son of Mr.Kumpol and Mrs. Suvimol Elder brother of Mr.Pornpun	Feb. 2014 - Present Managing Director, Asia Hotel Public Company Limited Managing Director , Asia Pattaya Hotel Co.,Ltd. Managing Director , Asia Airport Hotel Co.,Ltd. 1992 - Feb.2014 Assistant Managing Director, Asia Airport Hotel Co.,Ltd. 1990- March.2012 Director,Zeer Property Public Co.,Ltd. 1989 - Present Director, Pamatoy Co., Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd. 1984 - Feb.2014 Assistant Managing Director,Asia Hotel Public Company Limited 1983 - Feb.2014 Assistant Managing Director, Asia Pattaya Hotel Co.,Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Area Subcontract Manufacture Holding Company Hotel & Rest. Hotel & Rest.

Details of Directors as of March 1, 2014 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years		Type of Business
4. Mrs.Pornpun Tanariyakul Assistant Managing Director Executive Director Age 54 years As director 13 years ago	Bachelor Degree in Accounting and MBA , Chulalongkorn University Certificate of Attendance DAP # 6/2003 from IOD.	3,572,775 (11.16%) Mrs.Pornpun= 3,472,375 shares Spouse=100,400 shares	Dauther of Mr.Kumpol & Mrs. Suvimol younger sister of Mr.Surapong	Feb.2014 - Present 2003 - Present April.2000 - Present 1992 -Feb.2014 1988 - Feb.2014	Deputy Managing Director , ASIA Hotel Public Company Limited Deputy Managing Director , Asia Pattaya Hotel Co., Ltd. Deputy Managing Director , Asia Airport Hotel Co., Ltd. Managing Director , Pamatoy Co., Ltd. Director and Executive Director , ASIA Hotel Public Company Limited Asst. Managing Director,Asia Airport Hotel Co., Ltd. Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Manufacture Hotel & Rest. Hotel & Rest. Hotel & Rest.
5. Mrs.Suvimol Techaruvichit Director Age 81 years As director 47 years ago	Certificate in Commerce and Accountancy Certificate of Attendance DAP # 7/2004 from IOD.	561,996 (1.76%) Mrs.Suvimol= 151,063 shares Spouse=380,933 shares	Wife of Mr. Kumpol Mother of Mr.Surapong Mrs.Pornpun and Mrs. Oyetip	1992- Present 1990- Sep.2008 1989 - Present 1988 - Present 1972 - Present 1966 - Present	Director, Asia Airport Hotel Co.,Ltd. Director, Zeer Property Public Co.,Ltd. Director, Pamatoy Co.,Ltd. Director, A.B.K. Enterprise Co.,Ltd. Director, Asia Pattaya Hotel Co.,Ltd. Director, Asia Hotel Public Company Limited	Hotel & Rest. Area Subcontract Manufacture Holding Company Hotel & Rest. Hotel & Rest.
6. Mr.Piyawudh Senapoopitaksa Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 85 years. As director 45 years ago	Certificate of Life Insurance Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	26,666 (0.08%)	-none-	Jan 2010 - Present May 1999- Present 1992 - Aug.2013 1988 - Present 1972 - Aug.2013 1968 - Present	Nomination and Remuneration Committee Member, ASIA Audit Committee Member, Asia Hotel Public Company Limited. Director, Asia Airport Hotel Co.,Ltd. Director, A.B.K. Enterprise Co.,Ltd Director, Asia Pattaya Hotel Co.,Ltd. Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Holding Company Hotel & Rest. Hotel & Rest.
7. Mr.Sombut Pupipathirunkul Director (Independent Director) Audit Committee Member and Nomination and Remuneration Committee Chairman Age 75 years. As director 24 years ago	Bachelor Degree in Economics Thammasart University Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	49,799 (0.16%) Mr.Sombut = 49,799 shares Spouse = 3,200 shares	-none-	Jan 2010 - Present May 1999- Present 1996 - Present 1992 - Aug.2013 1989 - Present	Nomination and Remuneration Committee Chairman, ASIA Audit Committee Member, Asia Hotel Public Company Limited. Director, A.B.K. Enterprise Co.,Ltd. Director, Asia Airport Hotel Co.,Ltd. Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Holding Company Hotel & Rest. Hotel & Rest.

Details of Directors as of March 1, 2014 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
8. Mr.Suwat Dusitrojanawongse Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 68 years. As director 24 years ago.	Bachelor Degree in Economics Kinki University, Japan Certificate of Attendance DAP # 7/2004 , FSD # 4/2009 from IOD.	85,000 (0.27%)	-none-	Jan 2010 - Present Nomination and Remuneration Committee Member, ASIA Feb 2009 - Present Director, A.B.K. Enterprise Co.,Ltd. May 2008 - Present Audit Committee Chairman, Asia Hotel Public Company Limited. 1992 - Aug.2013 Director, Asia Airport Hotel Co.,Ltd. 1989 - Present Director, Asia Hotel Public Company Limited . 1983 - Present Managing Director, Thepdusit Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Construction
9. Dr. Chotima Puasiri Independent Director and Audit Committee Member Age 35 years. As director 5 years ago.	Master of Commerce, Marketing UNSW, Sydney, Australia & Master of Art, Management. Phd. Business Administration Ramkhamhaeng University Nottingham University, UK. Certificate of Attendance DAP # 78/2009, FSD# 16/2012 ACP# 41 /2012 from IOD	16,666 (0.05%)	-none-	May. 2011 - Present Audit Committee Member, Asia Hotel Public Company Limited. May. 2010 - Present Independent Director , Asia Hotel Public Company Limited. Aug. 2008 - Present Director, Asia Hotel Public Company Limited. May 2009 - Present Director, Nam Seng Insurance Public Company Limited. 2009 - Present Director, N.S.B. Co., Ltd. 2008 - Present Manager, Office Admin Dep.Nam Seng Insurance Public Company Limited. 2005 - 2008 Assistant Manager NON-MOTOR Insurance Department Nam Seng Insurance Public Company Limited.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Insurance Real Estate Insurance Insurance
10. Miss Sudaratana Wisnuwatanakit Company Secretary Age 55 years	Bachelor Degree in Economics Chulalongkorn University MBA., Kasetsart University CSDP no. 15/2550 , BRP 4/2010, EMT 18/2010	88,465 (0.28%)	-none-	May 2011- Present Company Secretary, Asia Hotel Public Company Limited 1989 - 2011 Asst. Secretary to the Board, Asia Hotel Public Hotel Company Limited. 1985 - 2011 Executive Secretary , Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest.

Training Course from Thai Institute of Directors.(IOD)

DAP = Directors Accreditation Program

DCP = Director Certification Program

FSD = Financial Statement for Directors

ACP = Audit Committee Program

CSDP= Corporate Secretary Development Program no.15/2550 by SET./ Thai Secretary Club

BRP = Board Report Program from IOD

EMT = Effective Minute Taking from IOD

Management Team as at March 1, 2014
Attachment 1

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
1. Mr.Surapong Techaruvichit Managing Director Appointed on 18 February, 2014 Executive Director Age 55 years As director 29 years ago	Bachelor Degree in Economics Chulalongkorn University, MBA, NIDA, Bangkok Certificate of Attendance DAP # 7/2004 and DCP # 167/2012 from IOD.	226,666 (0.71%)	Son of Mr.Kumpol and Mrs. Suvimol Elder brother of Mr.Pornpun	18 Feb. 2014 - Present Managing Director,Asia Hotel Public Company Limited Managing Director , Asia Pattaya Hotel Co.,Ltd. Managing Director , Asia Airport Hotel Co.,Ltd. 1992 - Feb. 2014 Assistant Managing Director, Asia Airport Hotel Co.,Ltd. 1990 - Mar.2012 Director,Zeer Property Public Co.,Ltd. 1989 - Present Director, Pamatoy Co., Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd. 1984 - Feb.2014 Assistant Managing Director,Asia Hotel Public Company Limited 1983 - Feb.2014 Assistant Managing Director, Asia Pattaya Hotel Co.,Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Area Subcontract Manufacture Holding Company Hotel & Rest. Hotel & Rest.
2. Mrs.Pornpun Tanariyakul Deputy Managing Director Executive Director Age 54 years As director 13 years ago	Bachelor Degree in Accounting and MBA , Chulalongkorn University Certificate of Attendance DAP # 6/2003 from IOD.	3,572,775 (11.16%) Mrs.Pornpun= 3,472,375 shares Spouse=100,400 shares	Dauther of Mr.Kumpol & Mrs. Suvimol younger sister of Mr.Surapong	Feb.2014 - Present Deputy Managing Director , ASIA Hotel Public Company Limited Deputy Managing Director , Asia Pattaya Hotel Co., Ltd. Deputy Managing Director , Asia Airport Hotel Co., Ltd. 2003 - Present Managing Director , Pamatoy Co., Ltd. April.2000 - Present Asst. Director and Executive Director , ASIA Hotel Public Company Limited 1992 - Present Asst. Managing Director, Asia Airport Hotel Co., Ltd. 1988 - Present Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Manufacture Hotel & Rest. Hotel & Rest. Hotel & Rest.
3. Mrs. Oyetip Hayrabut Asst. to Managing Director Age 51 years	Bachelor Degree in Accounting Chulalongkorn University, MBA, Sul ross States University, U.S.A.	204,066 (0.64%)	Dauther of Mr.Kumpol & Mrs. Suvimol Younger Sister of Mr.Surapong and Mrs.Pornpun	Feb.2014 - Present Deputy to Managing Director, Asia Hotel Public Company Limited 1Feb.2009 - Dec.2011 Acting General Manager , Asia Hotel Plc Co.,Ltd. June.2004 - Present Asst.to Managing Director , Asia Hotel Public Company Limited 1989 - Present Director , Pamatoy Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Manufacture
4. Mr.Theerarath Techaruvichit Asst.to Managing Director Age 34 years	Bachelor Degree in Business Administration (BBA) Mahidol University International Colledge (MUIC)	-	Son of Mr. Amorn	March.2014 - Present Asst.to Managing Director, Asia Hotel Public Company Limited 2011 - Feb.2014 Asst.Director of Sales , Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest.

Management Team as at March 1, 2014 (continued)

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
5. Mr.Kriengsak Jumaree Hotel Manager Age 50 years	Bachelor of Political Science Ramkhamhaeng University	-	-none-	Dec. 2011-Present Hotel Manager, Asia Hotel Public Company Limited Aug 2011 - Oct. 2011 General Manager, KOSA Hotel, Khon Kaen Oct. 2010- July 2011 General Manager,V-ONE Hotel, Nakornchaisima Oct. 2007- Sep 2010 General Manager,MANHATTAN Hotel,Pathumthani Apr. 2006 - Sep 2007 Front Office Manager, Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
6. Mr.Somsak Teerawitpreecha Director of Sales (Room) Age 60 years	Bachelor Degree in Marketing Ramkhamhaeng University	-	-none-	2002 - Present Director of Sales , Asia Hotel Plc. Co., Ltd.	Hotel & Rest.
7. Miss Ganlayanee Roungrayabchai Director of Sales (Banquet) Age 42 years	Bachelor Degree in Marketing Ramkhamhaeng University	-	-none-	2557 - Present Director of Sales , Asia Hotel Public Company Limited 2013 Senior Sales Manager , Mandarin Hotel 2011 - 2013 Senior Sales Manager , Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
8. Miss Somsri Tangtatpongsathorn Financial & Accounting Manager Age 45 years	Bachelor Degree in Accounting, Bangkok University	-	-none-	Jul 2005 - Present Financial & Accounting Manager , Asia Hotel Public Company Limited	Hotel & Rest.
9. Mrs.Siriwan Boonchim Executive Housekeeper Age 64 years	High school Somboonwittaya School	8,333 (0.03%)	-none-	1987 - Present Executive Housekeeper , Asia Hotel Public Co., Ltd.	Hotel & Rest.
10. Mr. Athiwat Opaswatkul Front office Manager Age 46 years	High school Bangbuathong School , Nonthaburi	-	-none-	Dec. 2011 - Present Front office Manager , Asia Hotel Public Co., Ltd. Aug 2010 -Nov 2011 Asst. Front office Manager,Asia Hotel Public Co., Ltd. Jul 2008 - Jul 2010 Duty Manager, Asia Hotel Public Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest.
11. Mr.Thongpoon DOUNGCHOMPPOO Acting F&B Manager Age 52 years	High school Diploma Pisanwit School	-	-none-	Nov.2013 - Present Acting Food and Beverage Manager, Asia Hotel Public Co., Ltd. 1994 - Oct.2013 Outlet Manager F&B Banqueting , Asia Hotel Public Co., Ltd.	Hotel & Rest. Hotel & Rest.

Management Team as at March 1, 2014 (continued)
Attachment 1

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
12. Miss Patcharane Techaruvichit Asst. HR Manager Age 34 years	Master of Business Administration (HRM) Thammasat University	50,000 (0.16%)	Niece of Mr.Kumpol	2007 - Present Asst. HR Manager , Asia Hotel Public Co., Ltd.	Hotel & Rest.
13. Miss Natcha Techaruvichit Public Relation Manager Age 33 years	Bachelor Degree : International Business Mgt. Mahidol University Master Degree in Marketing (MIM) Thammasart University	-	Daughter of Mr.Amorn Niece of Mr.Kumpol	Aug 2004 - Present Public Relation Manager, Asia Hotel Public Co., Ltd.	Hotel & Rest.
14. Mr. Vaiyavuth Samakkarn Chief Security Age 56 years	Higher Education Bansomdejchaopraya Teacher Colledge	-	-none-	2009 - Present Chief Security , Asia Hotel Public Co., Ltd. 2004 - 2009 Asst. Chief Security, Asia Hotel Public Co., Ltd.	Hotel & Rest. Hotel & Rest.
15. Mr. Chairat Thamvichit Chief Engineer Age 68 years	Patumwan Institute of Technology	-	-none-	1987 - Present Chief Engineer , Asia Hotel Public Co., Ltd.	Hotel & Rest.

Details of Directors and Management

Name of Directors	Company Name	ASIA	Subsidiaries		
			AP	AA	ZP
1. Mr. Kumpol	Techaruvichit*	/, X, //*	/, X, //*	/, X, //*	
2. Mr. Amorn	Techaruvichit	/	/, //	/, //	
3. Mr. Surapong	Techaruvichit	/, //	/, //	/, //	
4. Mrs. Suvimol	Techaruvichit	/	/	/	
5. Mr. Piyawudh	Senapoopitaksa	/			
6. Mr. Sombut	Pupipathirunkul	/			
7. Mr. Suwat	Dusitrojanawongse	/			
8. Mrs. Pornpun	Tanariyakul	/, //	/, //	/, //	
9. Dr. Chotima	Puasiri	/			
10. Pol.Maj.Gen Supchan	Manutham				X
11. Mr. Surapol	Techaruvichit				/, //
12. Mr. Tosapol	Vachiradaecha				/, //
13. AM Choomsak	Skulratana				/
14. Lt.Gen. Naowarat	Thongkumwong				/
15. Mr. Anant	Gatepithaya				/
16. Mr.Somboon	Fusriboon				/
17. Mr.Chanin	Pupipathirunkul				/
18. Mr.Surapak	Senapoopitak				/
19. Mr.Sorathat	Dusitrojanawongse				/
20. Mr. Surayuth	Panchavinin				/
21. Mrs. Oyetip	Hayrabut	//, ///			
22. Mr. Theerath	Techaruvichit	//, ///			
23. Mr. Kriengsak	Jumaree	///			
24. Mr. Somsak	Teerawitpreecha	///			
25. Miss Ganlayanee	Rounggrayabchai	///			
26. Mr.Thongpoon	Doungchompoo	///			
27. Miss Patcharanee	Techaruvichit	///			
28. Miss Somsri	Tangtatpongsathorn	///			
29. Miss Natcha	Techaruvichit	///			
30. Mrs.Siriwan	Boonchim	///			
31. Mr.Athiwat	Opaswatkul	///			
32. Mr.Vaiyawuth	Samakkarn	///			
33. Mr.Chairat	Thamvichit	///			

Remarks: X = Chairman, / = Director, // = Executive Director, /// = Management Officer

* Mr.Kumpol Techaruvichit passed away on 16 December 2013., recruiting for new director in process.

“ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ที่แสดงไว้ในเว็บไซต์ www.sec.or.th หรือเว็บไซต์ของบริษัท www.asiahotel.co.th”

“Investors can study the information of the issuing company from the annual information form (56-1 form) of the company which is shown www.sec.or.th or the company’s website www.asiahotel.co.th”

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