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# Bangkok Pattaya Airport Cha am

# 2014

ANNUAL REPORT



ASIA HOTEL GROUP

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## Message from Managing Director

During 2014, Thailand has been affected from political conflicts from the late 2013 to the second trimester of 2014. The announcement of martial law together with the global economic circumstance led to the decreased number of tourists for 24.78 million people or 6.66 percents as well as the decreased number of total tourism income for 4.93 percents. However, in the last 2 trimesters, the government has supported the tourism of the country by supervising the cleanliness of tourism attractions, organizing the regulation of tourist's drivers and increase confidence to the tourist in term of safety for the purpose to attract more foreign tourists into the country to further improve our economies and societies in the future.

In 2014, the company and its subsidiaries had income of 628.72 million baht from the hotel business, which is 101.82 million baht less than the previous year, and 582.53 million baht from the area subcontracting business, which is 3.11 million baht less than the previous year. These sums up to operation income for 1211.25 million baht which was 104.97 million baht or 7.97 percents less than the previous year. The income was increasing from the previous year for 161.53 million baht or 13.99 percent. The equity holders of the parent is 200.03 million baht which is 69.12 million baht more than the previous year; 185.38 million baht came from the profits of normal business operations. Furthermore, income on insurance compensation and reversal of provision for doubtful debts are included as well. The operating result for normal business of our company and its subsidiaries is decreasing for 5.05 percents compared to the previous year.

The area subcontracting business of the company had Zeer Property Public Co., Ltd. as its subsidiary to operate Zeer Rangsit. Our construction project of Joining a new building with formerly building (The hub) is nearly completed in the first quarter of 2015. Moreover the project of AA Town apartment, which was started in 2014, is also nearly completed. Consequently, the turnover of the company is expected to continue to grow further ahead.

The company also emphasized on social responsibility, and stakeholders, with a realization that both communities 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 an awareness that the best way of growth is to grow permanently, 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.

Our company and subsidiaries hope that we will prepare our operating quality of these 2 businesses in order to prepare for our funding in the future. 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



**ดร. อมร เตชะหรวุจิตร**  
DR. AMORN TECHARUVICHIT  
รองประธานกรรมการ  
VICE CHAIRMAN



**นางสุวิมล เตชะหรวุจิตร**  
MRS. SUVIMOL TECHARUVICHIT  
กรรมการ  
DIRECTOR



**นายสุรพงษ์ เตชะหรวุจิตร**  
MR. SURAPONG TECHARUVICHIT  
กรรมการผู้จัดการ  
MANAGING DIRECTOR





**นายสมบัติ ผู้พิพัฒนหิรัญกุล**  
MR. SOMBUT PUIPATHIRUNKUL  
กรรมการ (กรรมการอิสระ)  
DIRECTOR (INDEPENDENT DIRECTOR)



**นายปิยะวุฒ เสนาภุพิทักษ์**  
MR. PIYAWUDH SENAPOOPITAKSA  
กรรมการ (กรรมการอิสระ)  
DIRECTOR (INDEPENDENT DIRECTOR)



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



**นางพรพรรณ ตันอริยกุล**  
MRS. PORN PUN TANARIYAKUL  
กรรมการ  
DIRECTOR



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

# Asia Hotel Bangkok



## 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 Los Angeles, 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-The Hub” 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, ZP had opportunity in United State of America, the new project was ZO, a subsidiary of ZP running a small shopping center business at Los Angeles, 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 2014, subtitle 1.2 as shown in the website of the Company: [www.asiahotel.co.th](http://www.asiahotel.co.th)., [www.sec.or.th](http://www.sec.or.th)., and [www.set.or.th](http://www.set.or.th)

### Important Changes over the Past Year

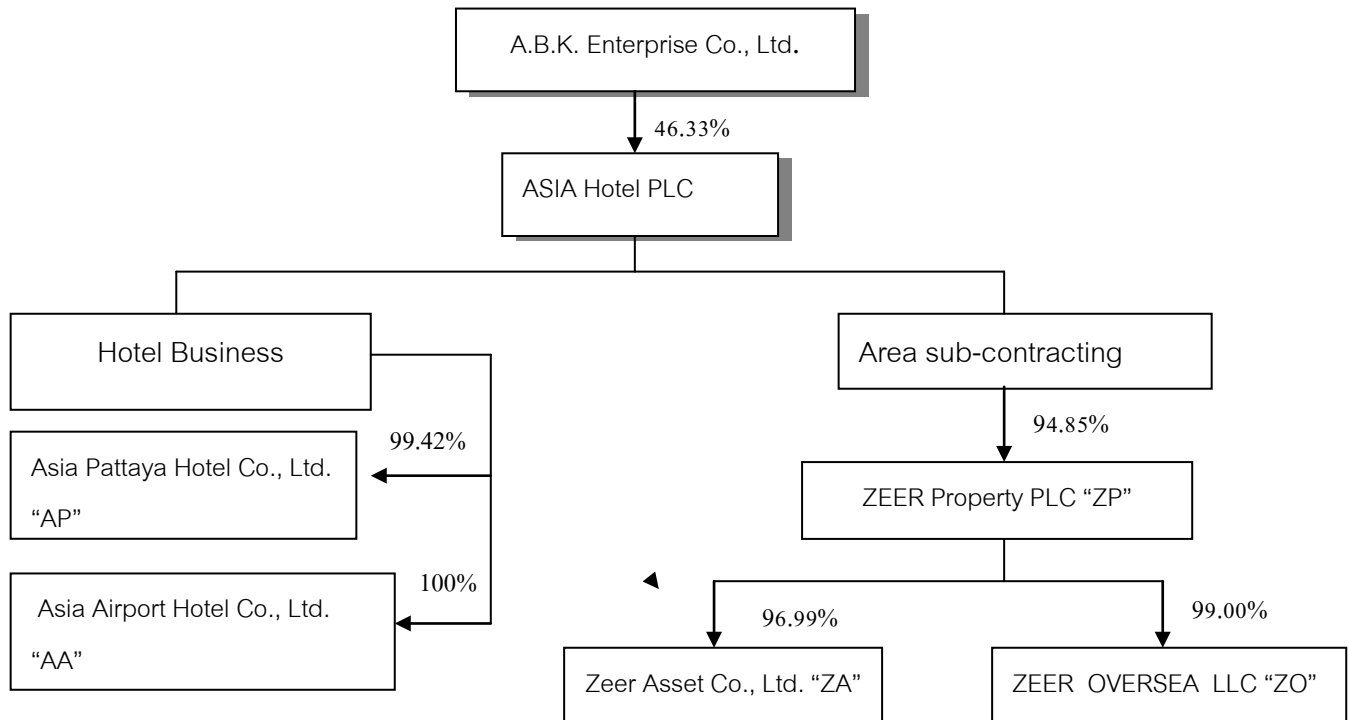
- The Resolution of the board meeting no. 2/2014 on 18<sup>th</sup> February 2014 appointed Mr. Surapong Techaruvichit as the Managing Director of the ASIA Hotel Group instead of Mr. Kumpol Techaruvichit, while searching independent director to be the new Chairman of the Board of Directors. Moreover Mr.Surapong Techaruvichit is also the president of Thai hotel association and vice president of Tourism council of Thailand which has a role to promote and emphasize the impact of tourism business toward Thailand's economy among government's institute such as Thailand exhibition, and ministry of sport and tourism.
- "The hub" and AA Town Apartment project of Zeer Property Co.,Ltd are under construction on the 99/8 Khukhot, Lamlukka, Pathumthani. "The hub" is a project of 5 floors building connecting with Zeer Rangsit building and will be finished in the first trimester of 2014. In this time, there are some tenants which are 60-70 percents of the total renting units.
- AA Town Apartment project is a project of dormitory which has workers around the area and customers who perform a business in the department store as a target. The project includes 11 buildings with 130 rooms each. The rooms were offered with affordable price to support an expansion of the economy of local area. The first building is already started in November 2013.



## 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 31<sup>st</sup> December 2014



#### 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 31<sup>st</sup> 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 15<sup>th</sup> 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

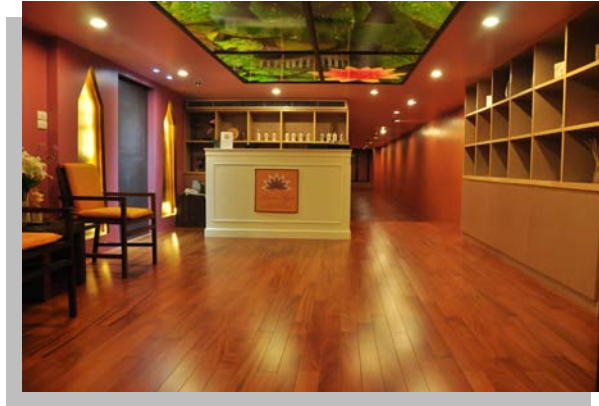
#### 1) Asia Hotel Public Company Limited – “Asia Hotel”

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 596 rooms , average room rate is between 1,500-2,700 Baht and occupancy rate is between 40.34-81.63% in the year 2014
- 1.2) Food and Beverage Services , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
  - 5 Restaurants and Coffee Shop, capacity 80-250 persons
  - 13 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 10-20 persons, 2 rooms with capacity 30-50 persons , 2 rooms with capacity 60-100 persons, 3 rooms with capacity 150-300 persons and 1 room with capacity 600-1,500 persons
- 1.3) Other services consist of:
  - Health club
  - Two swimming pools on the 5<sup>th</sup> and 12<sup>th</sup> floor
  - Spa “Asia Spa” on 4th floor
  - Shops for rent
  - Others services such as The Playhouse Show, Souvenir- Gift Shop, Fortune Teller, Internet Center, Executive Center



# Asia Spa



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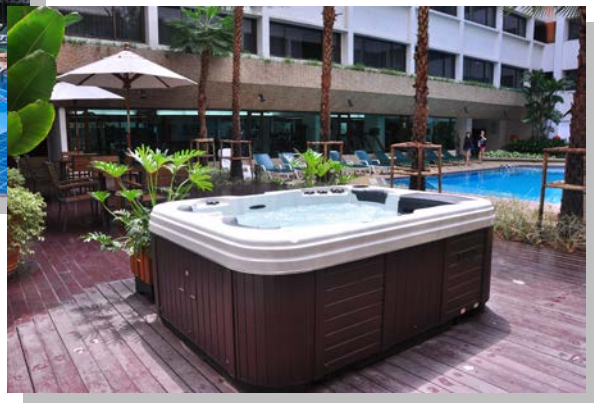


**Internet Corner**



**Asia Fitness &**

**Swimming Pools / Jacuzzi**



# Asia Pattaya Beach Hotel



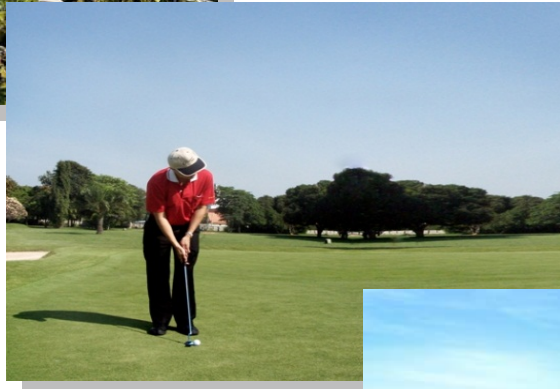
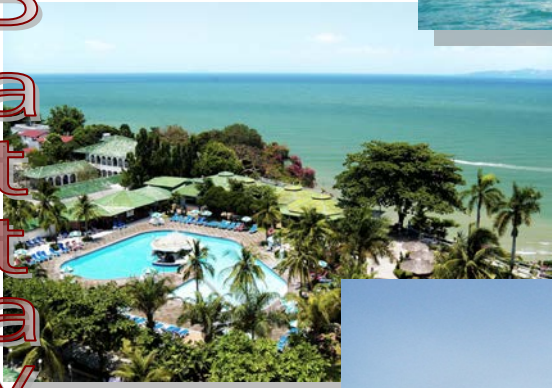


## **2) Asia Pattaya Hotel Company Limited**

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 28.59-89.59% in the year 2014.
- 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 - 300 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
  - Transfer taxi between hotel and tourist attraction in Pattaya.

Asia  
Pataya  
Beach  
Hotel





# Asia

# Airport Hotel





### **3) Asia Airport Hotel Co., Ltd.**

Asia Airport Hotel is on 9<sup>th</sup> -18<sup>th</sup> 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 478 rooms, consist of
  - Hotel 394 rooms, average room rate is between Baht 1,300 - 2,200 and Occupancy rate is between 34.77% - 60.20% in the year 2014
  - Service Apartment of 84 rooms, Average rental rate is between Baht 26,400 - 31,400 per month Occupancy rate is between 22% - 39% in the year 2014.
- 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

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Cha Am Hotel



#### **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 16.80% - 70.56% in the year 2014.

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



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# Zeer Property



## 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 2014 IT Zeer Center was occupied about 77% of the total area, starting from basement, 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> floor. Most of the shop renters sell computers and accessories. On 4<sup>th</sup> floor renters are the offices and stores and a part of 5<sup>th</sup> floor is utilized as function rooms of Asia Airport Hotel. 7<sup>th</sup> to 9<sup>th</sup> floor rented out for offices and 10<sup>th</sup> - 18<sup>th</sup> 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)

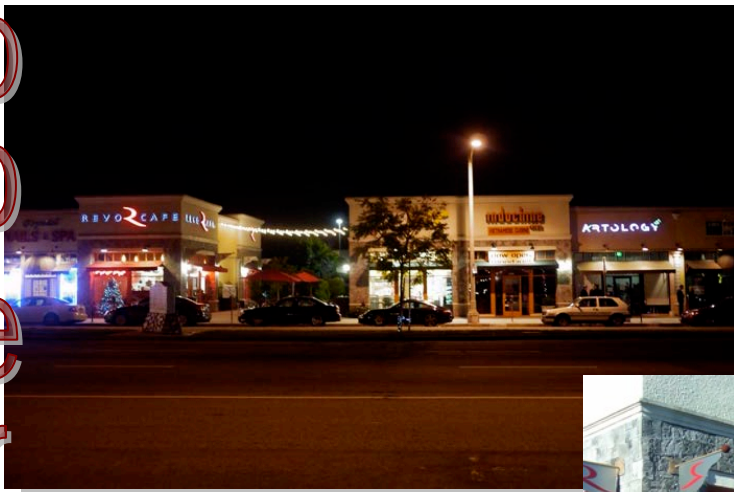
ZEER OVERSEA LLC. “ZO” which is a subsidiary of the Zeer Property Public Company Limited (“ZEER”) has acquired the Land and Constructions of SHOPPING CENTER located at Glendale Boulevard, Los Angeles, California, USA.

The Glendale Shopping Center is on a plot of land around 0.80 acre (approx. 2 rai), 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.



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# IT Zeer



# Glendale





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

Type of Business	Operated by	% of Share Held	2012		2013		2014	
			MB	%	MB	%	MB	%
- Hotel	Asia Hotel Public	Parent Company	179.23	15.52	224.87	17.08	169.21	13.97
- Restaurant	Company Limited	Listed Company	125.92	10.91	139.86	10.63	134.88	11.14
<b>Total</b>			<b>305.15</b>	<b>26.43</b>	<b>364.73</b>	<b>27.71</b>	<b>304.09</b>	<b>25.11</b>
- Hotel	Asia Pattaya Hotel	99.42%	85.17	7.37	99.56	7.56	84.16	6.95
- Restaurant	(Subsidiary Company)		44.06	3.82	56.18	4.27	49.95	4.12
<b>Total</b>			<b>129.23</b>	<b>11.19</b>	<b>155.74</b>	<b>11.83</b>	<b>134.11</b>	<b>17.07</b>
- Hotel	Asia Airport Hotel	Direct 100%	121.11	10.48	134.66	10.23	122.71	10.13
- Restaurant	(Subsidiary Company)		72.94	6.32	75.45	5.73	67.81	5.60
<b>Total</b>			<b>194.05</b>	<b>16.80</b>	<b>210.11</b>	<b>15.96</b>	<b>190.52</b>	<b>15.73</b>
Area Subcontracting Business	Zeer Property Public Co., Ltd. (Subsidiary Company)	Direct 94.85%	526.26	45.58	585.64	44.50	582.53	48.09
<b>Total</b>			<b>526.26</b>	<b>45.58</b>	<b>585.64</b>	<b>44.50</b>	<b>582.53</b>	<b>48.09</b>
<b>Grand Total</b>			<b>1,154.69</b>	<b>100.0</b>	<b>1,316.22</b>	<b>100.0</b>	<b>1,211.25</b>	<b>100.0</b>

### 3. Risk Factors

#### 3.1 Risks from External Factors

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

In the half year of 2014, hotel and tourism business has been affected by the political protest, especially Asia Bangkok hotel which located on the center of economic area of Thailand. The coup d'etat in May 2014 together with the announcement of martial art law from the government is the most important obstacle toward tourism in the country especially the cancellation of safety insurance for tourists even though the government has already promote a lot of tourism in third and fourth quarter.

Because of this, risks from the political fluctuation in the country from 2013 to the second trimester 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.

- ***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 Chinese, Indonesian and Israel in 2014.

According to the company's changing of client base to Asian market in 2014, 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. However, the government has emphasized and organized the prevention of the tourists being exploit, and also the maintenance and safety of the tourist attractions in the country to promote both domestic and abroad tourists.

In late 2014, the government has announced the government gazette to promote tourism in the country, to reduce the tax of domestic tourists and seminars, and to recover the tourism of the country by allowing tourist who doesn't expense over 15,000 baht for tourism to reduce the tax affecting since 16 December 2014 until 31 December 2015. The exception of income tax for the company who has an expense on arranging seminar in the country. However, the reduction of the tax is only allowed the company who have registered with the ministry which will support the benefits of the registered company.

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.

### 3.2 Risks 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 Baht 10 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 : ANS Audit Co., Ltd.  
 Auditor's Name : Mr. Atipong Atipongsakul C.P.A (Thailand) No. 3500 or  
 : Mr.Sathien Vongsnan C.P.A (Thailand) No. 3495 or  
 : Mr. Vichai Ruchitanont C.P.A (Thailand) No. 4054 or  
 : Miss. Kultida Pasurakul C.P.A (Thailand) No. 5946  
 Address : 100/72, 22<sup>nd</sup> 100/2 Vongvanij B Bldg., Rama 9 Rd., Huaykwang, Bangkok  
 Telephone no. : (662) 645-0109  
 Fax no. : (662) 645-0110

### Legal Advisor

Name/Address : Mr. Ruangsak Yongpatanajitara, Pattanajitara Law Office,  
 802/902 Moo 12 Kukot, Lum lukka, Pathumthani 12130  
 Telephone No. : (662)536-5273



### 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 <sup>nd</sup> 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

**(A) Details of Top-Tenth Major Shareholders as at the latest closing dated for The Company share transfer (2 September 2014)**

No.	Name	No. of Shares Held	% of Share Held
1	A.B.K. Enterprise Groups.	14,824,000	46.325
2	Mrs. Pornpun Tanariyakul and spouse	3,572,775	11.165
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.	Mrs. Suvimol Techaruvichit	561,996	1.765
9.	Mr. Wichai Arunkamol Sri	539,600	1.686
10.	Miss.Supavadee Boonsuntisuk	385,000	1.203
	<b>Total</b>	<b>23,317,064</b>	<b>75.999</b>

Remarks : 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
<b>1. Techavichit Family</b>	<b>4,927,136</b>	<b>15.40</b>
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
<b>2. A.B.K. Enterprise Co., Ltd.</b>	<b>14,824,000</b>	<b>46.32</b>
<b>3. Pattaya Hotel Trading Co., Ltd.</b>	<b>360,000</b>	<b>1.12</b>

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

As at December 31, 2014 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
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
Mr. Theerarath Techaruvichit	0	0.00
Mr. Kriengsak Jumaree	0	0.00
<b>Total Board of Director hold Asia stock</b>	<b>4,816,834</b>	<b>15.05</b>

## 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 Jan – 30 June 2014	2.00	12 September 2014
1 Jan – 31 Dec 2013	2.00	16 May 2014
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	-

#### *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*

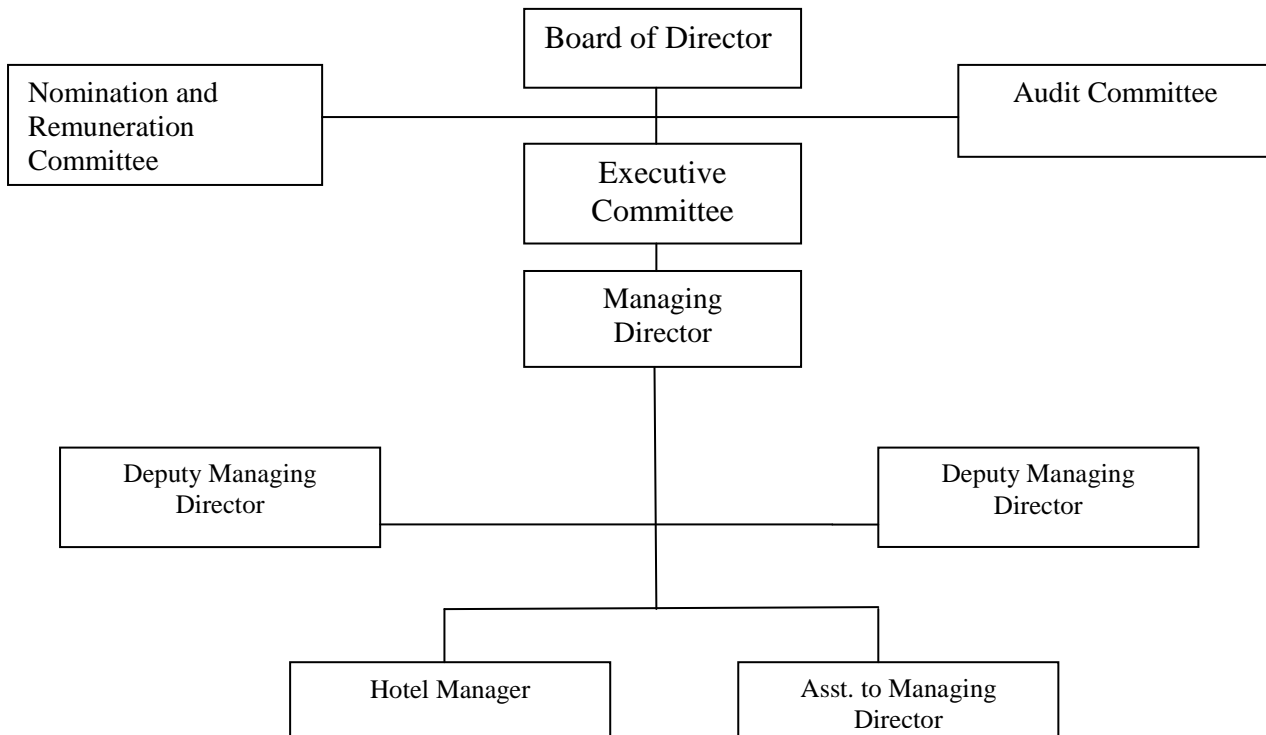
: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation. The company has a policy to pay the dividend not less than 40% 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 31 December 2014



### 7.1 Board of Directors presently consists of 8 members

1. (Nominating in Process)		Chairman of the Board
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 Directors 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 of 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 prepares 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 8 members:

- Management executives 3 members : ( Mr.Amorn Techaruvichit, Mr.Surapong Techaruvichit and Mrs. Pornpun Tanariyakul)
- Non-management executives 1 members : ( Mrs. Suvimol Techaruvichit)
- Independent 4 members : (Mr. Piyawudh Senapootitaks, Mr.Sombut Pupipathirunkul, Mr.Suwat Dusitrojanawongse 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 8 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 13<sup>th</sup>. 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 2014, there are totally 14 committees' meeting and the participants are as follows:

***As at 31 December 2014 Board of Directors***

<b>Name</b>	<b>Position</b>	<b>Tenure</b>	<b>Participate /Number of meeting</b>
1.Nominating in Process	Chairman		
2.Mr.Amorn Techaruchiht	Vice Chairman	APR.2013- APR. 2016	14/14
3.Mr.Surapong Techaruvichit	Director	APR.2013- APR. 2016	14/14
4.Mrs.Suvimol Techaruvichit	Director	APR.2012- APR. 2015	14/14
5.Mrs.Pornpun Tanariyakul	Director	APR.2014- APR. 2017	14/14
6.Mr.Piyawudh Senapoopitaksa	Director, ID, AC and NRC	APR.2014- APR. 2017	14/14
7.Mr.Sombut Pupipathirunkul	Director, ID, AC and NRC	APR.2012- APR. 2015	14/14
8.Mr. Suwat Dusitrojnanawongs	Director, ID, AC and NRC	APR.2014- APR. 2017	14/14
9.Mrs.Chotima Puasiri	Director, ID, AC	APR.2012- APR. 2015	14/14

Remark : \*Mr.Kumpol Techaruvichit passed away in December 2013, Chairman Nominating in process  
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 resolution of the board meeting on 27 February 2015 to approve new authorized directors as follows:

“Two of Mr. Amorn Techaruvichit or Mrs. Suvimol Techaruvichit or Mr. Surapong Techaruvichit or Mrs. Pornpun Tanariyakul jointly sign together with the Company’s seal affixed”

**The Limit of the Authority of Directors:** None

**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, 2014**

1. Mr. Surapong	Techaruvichit	Managing Director
2. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
3. Mrs. Oyetip	Hayrabut	Deputy 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 February 2015

1. Mr. Surapong	Techaruvichit	Managing Director
2. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
3. Mrs. Oyetip	Hayrabut	Deputy Managing Director
4. Mr. Theerarath	Techaruvichit	Assistant to Managing Director
5. Mr. Kriengsak	Jumaree	Hotel Manager
6. (Nominating in process)		Director of Sales (Room)
7. Miss Ganlayanee	Roungrayubchai	Director of Sales ( F&B)
8. Miss. Somsri	Tungstatpongsathorn	Financial & Accounting Manager
9. Mrs. Sudjai	Topol	Acting Housekeeping Manager



10. Mr. Atiwat	Opaswatkul	Front Office Manager
11. Mr. Suporn	Srisuthunyavong	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 Managing Director
3. Mr. Theerarath	Techaruvichit	Assistant to Managing Director
4. Mr. Kriengsak	Jumaree	Hotel Manager

### **7.3 Company Secretary**

The Board of Directors 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 2014, 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 2013
- 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 and shareholder meeting for approval with annual remuneration to be paid in May yearly:

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

Remuneration of Nomination and Remuneration Committee, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval. 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 Directors 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 Baht2,250 and Director is Baht1,500.

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 2014, 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, 2014

- a) Total remuneration for 8 directors  
: Bonus and meeting allowance Baht 2,042,000.00
- b) Total remuneration for 6 executives and management \*\*  
: Bonus and meeting allowance, salary Baht 6,000,960.00

*Remark \*\* 6 Executives are MD and 4 persons in the next four executive levels below Managing Director according to the regulation of the SEC. (see page 34)*

Table shows the remuneration received by each director in fiscal year 2014

Name	Meeting Allowance	Meeting allowance for subsidiary* AP, AA	Director Bonus	Bonus for Audit Committee	Bonus for Nomination/ Remuneration Director	Total Remuneration
1.Mr.Amorn Techaruvichit	157,500	54,000	104,350	-	-	315,850
2.Mrs.Suvimol Techaruvichit	105,000	36,000	69,565	-	-	210,565
3..Mr.Surapong Techaruvichit**	105,000	36,000	69,565	-	-	210,565
4.Mrs.Pornpun Tanariyakul	105,000	36,000	69,565	-	-	210,565
5.Mr.Piyawudh Senapooptaksa	105,000		69,565	30,000	15,000	219,565
6.Mr.Sombut Pupipathirunkul	105,000		69,565	30,000	22,500	227,565
7.Mr. Suwat Dusitrojawanongs	105,000		69,565	45,000	15,000	234,565
8.Mrs.Chotima Puasiri	105,000	-	69,565	30,000	-	204,565

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

(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.Amorn Techaruvichit, Mr.Surapong Techaruvichit, Mrs.Pornpun Tanariyakul ,Mrs. Oyetip Hayrabut and Mr.Theerarath Techaruvichit) total amount Baht 211,116.00

**7.5 Employee**

In 31 December 2014, the company (Asia Bangkok) has a total of 546 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.

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
	Unit :Baht		
Salary :	121,966,507.00	130,111,861.00	118,004,843.00
Bonus :	2,982,117.00	2,166,225.00	1,232,005.00
Provident Fund :	3,390,149.00	3,536,439.00	3,536,439.00

**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 161,255,829.11 Baht. Details are as follows:

Year 2013	Asia Pattaya Co., Ltd. (AP)	Asia Airport Co., Ltd. (AA)	Zeer Property PLC (ZP)
Total Employee (person)	255	266	324
Employee's Remuneration (Salary and Bonus) : Baht	48,075,509.00	49,727,925.00	51,974,157.00
Provident Fund : Baht	707,561.00	1,005,237.11	1,486,254.00

## 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](http://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 2014 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](http://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 Investor Relation of 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](http://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 2014 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 2014 to company secretary, email address : [sudarat@asiahotel.co.th](mailto:sudarat@asiahotel.co.th), to allow enough time for the Board of Directors to consider before proposing in the shareholders meeting 2015.

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 2015.

7. The Company provided sufficient information of each meeting agenda in invitation letter for considering.
8. In 2014, total 8 directors (include 2 sub-committees) 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 (The Hub and AA Town Apartment)" 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 planned 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 secretary discloses information of stakeholders who related with directors, management executives and related persons to directors to the first Board Meeting of the year. For the new director will send this information to Company Secretary within 30 days from date of appointment and every directors will disclose information such as security holding (Form246-2, Form59-1 and Form59-2), change of security holding, resigning and commencing 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. The board approved Anti-Corruptions Policy for Asia Hotel and subsidiaries and inform the staff about this act in company on 15 July 2015.

### 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](http://www.set.or.th) of the SET. At present the company added one more website to obtain information through [www.asiahotel.co.th](http://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](http://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 8 members:
  - Management executives 3 members (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, it currently has 8 members of directors, 4 audit committee members and 3 nomination and remuneration committee member as subcommittee and 15 members of management.

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 7 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 2014*

1. Mr. Suwat	Dusitrojawanogse	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 2014, 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 Directors for making conclusion and proposing to the committees' meeting of the company.

**Meeting Participation of Audit Committee Table in the year 2014**

Name	Position	Participate /Number of meeting
1.Mr. Suwat Dusitrojnanawongs	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 2014*

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

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 31<sup>st</sup> December of every year. In 2012 the above committee held two meetings and submitted a report to the Board of Directors on the suitable persons nominated for committee. Committee remuneration to be concluded and proposed to the Board of Directors's meeting before proposing to the shareholders' meeting for approval.

Meeting participation of Nomination and Remuneration in the year 2014 Table

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

### 8.3 Selection of committees and executives.

#### (1) Independent Director

Qualifications of Independent Directors are equal as the Securities and Exchange Commission's condition 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. The shareholding is in accordance with the Securities and Exchange Commission's condition.
- 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 Directors 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 ...4,300,000.00.... Baht.

Unit:Baht

<u>Name</u>	<u>Audit Fee year 2014</u>
Asia Hotel Public Co., Ltd.	1,250,000.00
<u>Subsidiaries</u>	
1. Asia Pattaya Hotel Co., Ltd.	835,000.00
2. Asia Airport Hotel Co., Ltd.	706,000.00
3. Zeer Property Public Co. Ltd.	1,237,000.00
4. Zeer Asset Co., Ltd.	78,000.00
5. ZEER OVERSEA LLC	<u>194,000.00</u>
Total Audit Fee	<u>4,300,000.00</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 8 and is also disclosed in [www.asiahotel.co.th](http://www.asiahotel.co.th) and annual rept.

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. 12<sup>th</sup>/2013 committee meeting on 13<sup>th</sup> 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.

In July 2014, the board meeting no.9/2014 has approved the use of policy against corruption in the company and its subsidiaries. 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 established “Green ASIA Hotel” project since 2013 supported by GREENER BUSINESS ASIA (ILO/ILO Japan). This project is a main activity of the corporate social responsibility (CSR in process) and is affecting societies and environments if the company continues the project incessantly. Asia hotel has already supported this project continuously by establishing the Green ASIA committee including restaurant personnels, housekeepers, mechanic personnels, stewards, and accountants which are add up to around 40 persons. These committees together with outside consultants are brainstorming and established 3 issues to improve including energy, waste materials sorting, and safety. In 2014, Asia hotel has been selected to be an operative model of “Green Hotel” for other hotels who are participated in. The model of operation including

1. Every stewards in the hotel to understand the objective of sorting waste materials in accordance with Green Improvement Plan. The content for stewards to understand also includes scoping where to improve and follow up the plan.
2. To train the associated personnels
3. To record the quantity by weight and sorting the type of wasted material
4. To set rules for mechanic personnels and chefs to always wear shoes during their works.
5. Set up a plan to reduce the electricity usage by using energy conserving light bulbs, recording the electric usage of light bulbs, set up time for dish cleaning due to its high water and electricity usage.
6. Arrange Green hotel slogan contest for all levels of Asia hotel personnels.

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 2014 invited neighbors to join food offering to 108 monks. The activity is scheduled annually in April and it has been done for over 6 consecutive years.
- 7.2 At the beginning of 2014 the company joined activities with the community and schools nearby – Sammachevasil School and Kingpetch School on the National Children's Day by hosting lunch and provided some activities.
- 7.3 In 28 July 2014, the executives and employees joined the blood donation activity at Siriraj Hospital. It is done at least once a year. While in this year there're plenty of seminar's guests and renters that participated in the activity as well.
- 7.4 In 12 August and 5 December 2014, the executives and employees have invited neighbors around the area to felicitate the king and the queen due to his and her birthday in order to show respect together with the local neighbors.
- 7.5 In 18 December 2014, the executives, employees and their families have participated in Katin dedication at Lum temple (Phra Aramluang) which is at Rayong province to promote Buddhism religion. The company also tries to arrange this activity with its subsidiaries every year.

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 2014.

In the Year 2014 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. 2/2558 that held on 27 February 2015. 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 Directors 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 2014, the company and its subsidiaries had 17 connected transactions as follows:-

ASIA	Asia Hotel Public Co., Ltd.	AA	Asia Airport Hotel Co., Ltd.
AP	Asia Pattaya Hotel Co., Ltd.	ZP	Zeer Property Public Co., Ltd.
ZI	Zeer Ice Skate Co., Ltd.	DM	Don Muang Grand Plaza Co., Ltd.
NSI	Num Seng Insurance Public Co., Ltd.	TW	T&W Partnership Ltd.

<b>Name and Relationship</b>	AA, a subsidiary (in the proportion of shares of 100%) and ASIA, the registered company
<b>Description</b>	Inter-transaction of loan and accrued interest payable
<b>Value (Million Baht)</b>	Baht 41.62 Million for the year 2013 Baht 46.57 Million for the year 2014
<b>Importance and Reasons</b>	AA had granted loan to the ASIA for supporting the operation. The interest was calculated and the current interest rate is at 7.25%.

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**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 247.73 Million for the year 2013  
Baht 254.35 Million for the year 2014

**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 2013  
Baht 1.20 Million for the year 2014

**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 381.64 Million for the year 2013  
Baht 280.33 Million for the year 2014

**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 1.13 million for ASIA premium :Baht 910.00 million  
AA = Baht 0.68 million for AA, premium: Baht 500.90 million  
AP = Baht 1.25 million for AP, premium: Baht 473.70 million  
ZP = Baht 1.95 million for ZP, premium: Baht1,226.80 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 5<sup>th</sup> floor area from ZP to use as function room

**Value (Million Baht)** Baht 9.52 million for the year 2013  
Baht 9.80 million for the year 2014

**Importance and Reasons** AA rented area on 5<sup>th</sup> floor with an area of 9,072 square meters from ZP to use as function room. Rental period is 3 years from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2016 by using the same rate as the other clients in nearby area.

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**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  
Baht 390 Million as the end year 2014

**Importance and Reasons** AA has leased some areas of G floor, the 6<sup>th</sup> floor and the 9<sup>th</sup> floor and entire area of the 10<sup>th</sup> -17<sup>th</sup> 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.

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**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 1.56 Million for the year 2013  
Baht 1.56 Million for the year 2014

**Necessity and Rationality** ZP rented the area on 8<sup>th</sup> 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.

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**Name and Relation** AA (A subsidiary of ASIA holding 100% of its shares) กับ 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 1.28 Million for the year 2013  
Baht 1.28 Million for the year 2014

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

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**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 2.21 Million for the year 2013  
Baht 2.36 Million for the year 2014

**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<sup>st</sup>, 2014 to December 31<sup>st</sup>, 2014. The maintenance service contract is extended for 3 years (1 January 2015 – 31 December 2017) with new service fee start from Baht 210,618 for the first year and each higher 7% for the second and third year.

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<b>Name and Relation</b>	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
<b>Nature of Transaction</b>	Rental transaction “Asia Cha-am Hotel” running hotel business (AA is a rentee and ZP is a renter)
<b>Value (Million Baht)</b>	Baht12.03 Million for the year 2013 Baht10.58 Million for the year 2014
<b>Necessity and Rationality</b>	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.
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<b>Name and Relation</b>	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
<b>Nature of Transaction</b>	Income from rental area for parking, ZP received from AA
<b>Value (Million Baht)</b>	Baht 0.52 Million for the year 2013 Baht 0.57 Million for the year 2014
<b>Necessity and Rationality</b>	AA rented parking area from ZP for the convenience of hotel clients with 1 year contract from March 1 <sup>st</sup> , 2012 to February 28 <sup>th</sup> , 2013 at the rate of Baht 39,930.- per month. Later AA extends the contract for 3 years (from March 1 <sup>st</sup> , 2013 to February 29 <sup>th</sup> , 2016) with a rental rate of 43,923 baht/month for the 1 <sup>st</sup> year, 48,315 baht/month for the 2 <sup>nd</sup> year and 53,147 baht/month for the 3 <sup>rd</sup> year.
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<b>Name and Relation</b>	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
<b>Nature of Transaction</b>	Income from management service for parking income, ZP received from AA
<b>Value (Million Baht)</b>	Baht 0.62 Million for the year 2013 Baht 0.68 Million for the year 2014
<b>Necessity and Rationality</b>	AA uses the parking management service from ZP with 2 years contract period from June 1 <sup>st</sup> , 2012 to May 31 <sup>st</sup> , 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 extends the service contract for 3 years (from June 1 <sup>st</sup> , 2014 to May 31 <sup>st</sup> , 2017) with a rental rate of 59,320 baht/month for the 1 <sup>st</sup> year, 65,250 baht/month for the 2 <sup>nd</sup> year and 71,770 baht/month for the 3 <sup>rd</sup> year.
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<b>Name and Relationship</b>	-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
<b>Description</b>	ZP rented the land and building from DM
<b>Value (Million Baht)</b>	Baht 17.34 Million for the year 2013 Baht 17.34 Million for the year 2014
<b>Importance and Reasons</b>	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 <sup>nd</sup> quarter of 2007 approved extension of lease agreement for another 25 years. Total remaining period is 33 years according to TAS16
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**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. Amorn 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.

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**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. In the year 2014 , Financial Institution has terminated this debt already.

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**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 Now Financial Institution has terminated this debt already.

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## 12. Summary of Financial Information

### 12.1 Consolidate Performance

#### Summary Status of Asia Hotel Public Company Limited and its subsidiaries

Unit: Million Baht

	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>
Income from hotel business	628.72	730.58	628.42
Rental and Service Income	582.53	585.64	526.27
Total Revenues	1,211.25	1,316.22	1,154.69
Gross Profit	458.93	525.39	474.42
Other Income	114.87	62.01	97.57
Earning before interest and tax- EBIT	408.76	313.01	355.78
Net Profit (Loss) (Equity holder of the Parent)	200.03	130.92	159.18
Net profit (loss) per shares-EPS	6.25	4.09	4.97
<b>Summary Status</b>			
Total Assets	8,459.16	7,853.41	7,972.41
Total Liabilities	3,740.88	3,195.33	3,341.65
Shareholders' Equity	4,718.28	4,658.08	4,630.76

### 12.2 Financial Ratio

#### Financial Ratios of Asia Hotel Public Company Limited and its Subsidiaries

	<u>2014*</u>	<u>2013*</u>	<u>2012*</u>
Gross Profit Margin (%)	37.89	39.92	41.09
Net Profit (loss) Margin(%)	15.08	9.50	12.71
Return on Assets (%)	2.45	1.65	1.88
Return on Equities (%)	4.27	2.82	3.25
Debt on Equity –D/E (times)	0.79	0.69	0.72
Book Value per share (Baht)	147.45	145.56	144.71
Weight average number of common shares	32,000,000	32,000,000	32,000,000

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

## 13. Analysis and explanations by the management

### 1. Overall picture of the business operations

In the year 2014, the company and subsidiaries had total revenue of 1,211.25 million baht, a decrease of 104.97 million baht, or 7.98% In 2014 the tourism industry of Thailand was impacted by the political demonstration in Bangkok that took place from the end of 2013 continuously to the second quarter of 2014 and affected the number of tourists declined, public customer request to cancel and postpone. The company and its subsidiaries had revenue from the hotel business totaling 628.72 million baht, a decrease from the previous year by 101.86 million baht, or 13.94% lower, and the revenue from the space leased business totaled 582.53 million baht, decrease from the previous year by 3.11 million, or 0.53%. It had the gross profit totaled 458.93 million baht, decreased from the previous year by 66.45 million baht, or 12.65% lower. The company and subsidiaries had net profit (the net worth of the parent company) amount to 200.03 million baht, increased from last year 69.13 million baht, higher 52.81%

Overall picture of Revenue and gross profit from operating result in 2014

	Revenue				Cost				Gross Profit			
	2014	2013	Increase (decrease)	%	2014	2013	Increase (decrease)	%	2014		2013	
Hotel Revenue												
Room	377.26	459.09	(81.83)	-17.8	246.54	261.98	(15.44)	-5.9	130.72	34.6%	197.11	42.9%
F&B	251.46	271.49	(20.03)	-7.4	191.05	190.95	0.10	0.1	60.41	24.0%	80.54	29.7%
	628.72	730.58	(101.86)	-13.9	437.59	452.93	(15.34)	-3.4	191.13	30.4%	277.65	38.0%
Rent&Service Revenue												
Domestic	561.85	565.86	(4.01)	-0.7	307.24	332.71	(25.47)	-7.7	254.61	45.3%	233.15	41.2%
Overseas	20.68	19.78	0.90	4.6	7.49	5.20	2.29	44.0	13.19	63.8%	14.58	73.7%
	582.53	585.64	(3.11)	-0.5	314.73	337.91	(23.18)	6.9	267.80	46.0%	247.73	42.3%
TOTAL	1,211.25	1,316.22	(104.97)	-8.0	752.32	790.84	(38.52)	-4.9	458.93	37.9%	525.38	39.9%

The rental space business segment of the company which is run by Zeer property Co.,Ltd has been affected by economic downturn which resulted by a decreased in income from 2014.

In the beginning of the 2014, the tourism industry of the country has been affected by political situation which led to a mass decrease in foreign tourists. At present, the political situation is stable, so a tension of higher growth in the number of tourists is predicted in 2015, after its downturn in 2014, which is a very good sign for tourism industry.

### 2. Operation results and profitability

In an analysis of the operation results for 2014 and profitability of the company and its subsidiaries classified according to the revenue structure, cost of sale and service, expense on the operations and financial cost as follows:

#### Revenue from the hotel business

The company and its subsidiaries had revenue from the total hotel business for 2014 in the amount of 628.72 million baht, a decrease from the previous year by 101.86 million baht or 13.94% lower due to room revenue from foreign customer decline 60% which was affected from political situation. The revenue from the hotel business consisted of income from rooms and serviced apartments and income from the cost of food and beverages as follows:

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2014	2013	2014	2013	2014	2013
<b>Revenue</b>						
Revenue from hotel business	377.26	459.09	251.46	271.49	628.72	730.58
Proportion of room : F&B	60%	62.8%	40.0%	37.2%	100.0%	100.0%
<b>Cost of sale</b>						
Cost ratio (Cost of Sale/ Revenue)	246.54	261.98	191.05	190.95	437.59	452.93
	65.4%	57.1%	76.0%	70.3%	69.6%	62.0%
<b>Gross Profit</b>						
GP margin (Gross profit/Revenue)	130.72	197.11	60.41	80.54	191.13	277.65
	34.6%	42.9%	24.0%	29.7%	30.4%	38.0%

#### 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 2014 totaled 377.26 million baht, a decrease from the previous year by 81.83 million, or 17.82% lower. It was resulted from unpeace political situation, all the hotels had decreased occupancy rate excluding Asia Cha-um Hotel, its was increased. The average occupancy rate of four hotels in 2014 equaled to 53.39%. While the previous year had the average rate of occupancy equaled to 66.79%. The Asia Pattaya Hotel, Pattaya beach had the highest occupancy rate among foue hotels, due to they have got less impact from the political demonstrations occurred from the end of 2013 to first quarter of 2014. While the hotel with the least occupancy in 2014 was in Asia Hotel Cha-um due to its last opening, so it takes some time to build up the customer base. However, Asia Hotel Cha-um had more occupancy rate in 2014 than in 2013.

In part of income from rooms was slightly higer, the average room rate of the four hotels in 2014 increased from the previous year a little with the average room rate in 2014 equaled to 1,253 baht. While in the previous year had the average room rate equaled to 1,200 baht. The increased the average room rate due to sale strategy.

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 2014 it had the revenue from the serviced apartments was 7.29 million, or about 8% of the guest room income of Asia Airport Hotel Rangsit.

#### b) Income from food and beverages

The company and its subsidiaries had the income from food and beverages from restaurants and banquets in 2014 amounted to 251.46 million baht, decreased from the previous year in the amount of 20.03 million baht, or 7.38% lower. They had the ratio of income from the room compare to food and beverage in 2014 was 60:40 which is nearly the same in 2013, or 62.8 : 37.2

The income from food and beverages are from the restaurants in the hotel and from the general banquets. The income from food and beverages from the restaurants usually related to the room income. Thus, the more hotel customers, the more income from food and beverages. There is a decline in the food and beverage segment in 2014. Income from the banquets usually depended on a company's marketing to have customers of a meeting, seminar or banquet. In 2014 income from banquets increase from 2013 in the amount of 6.88 million baht or 5.20% higher.

## 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 areas. They 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 rental business of the company was affected by economics conditions in 2014. The company and its subsidiaries had income from rent and service amounted to 582.53 million baht, decreased from the previous year by 3.11 million baht, or 0.53%.

## Other Income

Details on other income of the company are shown in the table belowed:

Details on other incomes	2014		2013		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Health club and car parking	4.02	3.51	2.41	3.89	1.61	66.80
Rental, Service and Electricity	43.11	37.53	41.89	67.55	1.22	2.91
Gain on Exchange rate	0.97	0.84	2.61	4.21	(1.64)	-62.84
Gain from sale of assets	0.45	0.39	0.41	0.66	0.04	9.76
Income on insurance compensation	46.66	40.62	-	-	46.66	100.00
Others	19.66	17.11	14.69	23.69	4.97	33.83
<b>Total</b>	<b>114.87</b>	<b>100.00</b>	<b>62.01</b>	<b>100.00</b>	<b>52.86</b>	<b>85.24</b>

In 2014 the company and its subsidiaries had other incomes totaling 114.87 million baht, increased from the previous year 52.86 million baht, or 85.24% higher. The main reason with other comes increased considerably due to the 2014 subsidiary company had received income on insurance compensation of decline building and other compensation at the amount of 46.66 million baht while there was not income on insurance compensation in 2013.

## Cost of sale and service

Cost of sale and service consists of two main items according to the type of revenue from the operations are the cost of sale from hotel operations and cost of rentals and services.

In 2014 the company and its subsidiaries has a cost of sale and service totaled for 752.32 million baht, decreased from the previous year by 38.52 million baht, or 4.87% lower due to downturn in tourism industry however, since the reduction rate of cost is lower than the reduction rate of revenue(which is 7.98%), the gross profit margin is reduced to 37.9% in 2014 from 39.9% 2013

Cost of sale and service (Unit: Million baht)	Room		Food & beverages		Rent and service		Total Hotel Business	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Cost of sale</b>	246.54	261.98	191.05	190.95	314.73	337.91	752.32	790.84
Cost Ratio	65.4%	57.1%	76.0%	70.3%	54.0%	57.7%	62.1%	60.1%
<b>Gross Profit</b>	130.72	197.11	60.41	80.54	267.80	247.73	458.93	525.38
GP Margin	34.6%	42.9%	24.0%	29.7%	46.0%	42.3%	37.9%	39.9%



In 2014 and 2013 the company and its subsidiaries has the cost ratio and Gross Profit Margin was nearly the same ratio which the year 2014 and 2013 equaled 62.1% and 60.1% respectively. The company has gross profit margin in 2014 for 37.89%, while the previous year had the gross profit of 39.92%. The cost of sale and service can be classified as following:

**a) Cost of room sale**

In 2014 the company and its subsidiaries had the cost of room sale of 246.54 million baht, decreased from the previous year by 15.44 million baht, or 5.89% while income from room in 2014 was decline equaled 17.82% from last year, it is resulting gross profit margin of room revenue lower. with the cost ratio for room for 2014 and 2013 equaled to 65.4% and 57.1% . Gross Profit Margin for 2014 and 2013 equal to 34.6% and 42.9% respectively.

**b) Cost of food sale and beverages**

In 2014 the company and its subsidiaries had the cost of food and beverage sale of 191.05 million baht, or increased by 0.10 million baht, or 0.05% increase from the previous year. They had the ratio of the cost of food and beverage sale for 2014 and 2013 equaled to 76.0% and 70.3% and the gross profit margin for 2014 and 2013 equaled to 24.0% and 29.7% 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 2014 the company and its subsidiaries earned the cost of rent and service at 314.73 million baht, or reduced by 23.18 million baht, or decreased by 6.86% from the previous year due to depreciation cost and reduced operations cost. While income from rent and service was slightly lower ratio equaled 0.53% so the proportion of the costs for 2014 and 2013 equaled to 54.0% and 57.7%, and the gross profit margin for 2014 and 2013 equaled to 46.0% and 42.3% respectively.

**Expenses on the sale, administration and others**

In 2014 the company and its subsidiaries incurred the expense on sale and service and other expenses totaled 165.04 million baht, decreased from the last year by 109.34 million baht, or 39.85% lower, which resulted from the administrative expense from the operations decreased and the reversal of provision for doubtful debt-net from provision for doubtful debt in 2014. It has details on the increase or decrease from the previous year on the expense of each type as follows:

Expenses on the sale, administration and others (Unit: Million)	2014	2013	Increase (decrease)	
			Amount	%
Selling expense	43.55	40.85	2.70	6.61
Administrative expense	175.18	208.94	(33.76)	-16.16
Management benefit expense	13.78	19.75	(5.97)	-30.23
Directors' remuneration	3.48	3.59	(0.11)	-3.06
Reversal of provision for doubtful debt	(74.55)	(0.91)	(73.64)	8,092.31
Bad debt	-	2.16	(2.16)	-100.00
Loss on guarantee of other company	3.60	-	3.60	100.00
<b>Total Other Expense</b>	<b>165.04</b>	<b>274.38</b>	<b>(109.34)</b>	<b>-39.85</b>

In 2014, there is reversal of provision for doubtful debt mainly because 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. 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 70.59 million as at December 31, 2014.

## Profit before the financial cost and the income tax

In 2014 the company and its subsidiaries had the earnings before interest and taxes (EBIT) 408.76 million baht, increased from the previous year by 95.75 million baht, or 30.59% higher. It resulted from income on insurance compensation amount of 46.66 million baht in 2014 and other income which increased, in addition, the selling and administrative expense was decreased from last year, therefore profit before interest and income tax was increased in 2014.

## Financial cost

In 2014 the company and its subsidiaries had the financial cost amounted to 105.77 million baht, decreased from the previous year by 13.62 million baht, or down by 11.41%, which is resulted from their repayment to the financial institutions according to the conditions in the loan contract. So the paid interest which is the main financial cost has decreased according to the financial loans were reduced.

## Earnings before Income Tax and Income Tax Expense

In 2014 the company and its subsidiaries had the earning before income tax totaled 302.99 million baht, or increased from the previous year of 109.37 million baht, or 56.49% higher, and the company incurred a tax expense in 2014 totaled 91.10 million baht, increased from the previous year by 34.11 million, or 59.85% higher. The tax expense were higher in compliance with the profit before income tax increased over the previous year.

## Net Profit

### Ratio of profitability

		<u>2014</u>	<u>2013</u>	<u>2012</u>
Net profit margin	percentage	15.08	9.50	12.71
Return on equity (ROE)	percentage	4.27	2.82	3.25
Return on assets (ROA)	percentage	2.45	1.65	1.88

In 2013 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 200.03 million baht, increased from the previous year by 69.13 million baht, or 52.81% and earning per share equaled to 6.25 baht (in 2013 earning per share equaled to 4.09 baht). The company had the net profit margin equaled to 15.08%, which higher from the previous years (2012 and 2013 had the net profit margin equaled to 12.71% and 9.50% respectively). It shows they had profitability increased continuously with the return on equity (ROE) in 2014 equaled to 4.27% and the return on assets (ROA) equaled to 2.45%, higher from the previous years as well.

## 3. Capability of Asset Management

The change in assets, liabilities, and shareholders' equity in 31 December 2014 compared to 31 December 2013

	31/12/2014	31/12/2013	Increase	Portion
Total Assets	8,459.16	7,853.41	605.75	7.71%
Total Liabilities	3,740.88	3,195.33	545.55	17.07 %
Total shareholders' equity	4,718.28	4,658.08	60.20	1.29%

## Structure of the assets

As of 31 December 2014 the company and its subsidiaries had the consolidated assets amounted to 8,459.16 million baht, increased over the previous year by 605.75 million baht, or 7.71% 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 287.92 million baht, increased from the year before by 21.43 million baht, or 8.04% higher. Since the company had cash and cash equivalents increased from the last year by 38.61 million baht, consisted of cash at bank increase by 41.87 million baht, cash on hand increase by 0.56 million baht and non-clearing cheques decrease by 3.82 million baht.

The company and its subsidiaries had non-current assets totaled 8,171.24 million baht, increased over the previous year by 584.32 million baht, or 7.70% higher due to property, plant and equipment was increased amount 616.07 million baht due to the work under construction of Zeer Project II or The Hub was increased 645.59 million baht from last year or 310.60% higher.

In the year 2014, The company and its subsidiaries change in the subsidiary's accounting treatment on the fixed assets from applying the Thai Accounting Standard No. 40 "Investment Property" to applying Thai Accounting Standard No. 16 "Property, Plant and Equipment"

The structure of the assets of the company and its subsidiaries on 31 December 2014 compared with 2013 can be summarized as follows:

List of Assets	2014		2013		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Current assets</b>						
Cash and the equivalent	131.29	1.55	92.68	1.18	38.61	41.66
Temporary investment	0.63	0.01	0.63	0.01	-	-
Trade debtors and other debtors	115.54	1.37	132.37	1.69	(16.83)	-12.71
Inventory	40.46	0.48	40.81	0.52	(0.35)	-0.86
Total Current assets	287.92	3.41	266.49	3.40	21.43	8.04
<b>Non-current assets</b>						
Deposits with financial institution for guarantee	4.00	0.05	4.00	0.05	-	-
Long-term loan for related business	70.59	0.83	80.38	1.02	(9.79)	-12.18
Land, building and equipment	7,927.89	93.72	7,311.82	93.10	616.07	8.43
Intangible asset	1.71	0.02	1.40	0.02	0.31	22.14
Deferred tax assets	19.39	0.22	44.57	0.57	(25.18)	-56.50
Prepaid rent	141.27	1.67	137.47	1.75	3.80	2.76
Other non-current assets	6.39	0.08	7.28	0.09	(0.89)	-12.23
Total non-current assets	8,171.24	96.59	7,586.92	96.60	584.32	7.70
<b>Total assets</b>	<b>8,459.16</b>	<b>100.00</b>	<b>7,853.41</b>	<b>100.00</b>	<b>605.75</b>	<b>7.71</b>

In the above table can be seen that the company and its subsidiaries had the same structure of the assets as before. there were current assets of about 3% and the non-current asset of about 97%. The company had the return of assets in 2014 equaled 2.45% increasing from the year 2013 equaled 1.65%.

## A) Inventory

As of 31 December 2014 the company and its subsidiaries had net inventory of 40.46 million baht, decreased from the previous year just 0.35 million. It consisted of inventory of the restaurant business amounted to 8.93 million baht and the inventory of the hotel business of 31.53 million baht. The company and its subsidiaries had the current inventory ratio in 2014 equaled to 17 times and the duration of average goods sold equaled to 21 days, which was closed to 2013 with the current inventory ratio and the average selling time equaled to 18 times and 20 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 2014 for 0.139 million baht, which was close to the previous year (0.140 million baht).

## B) Land, Building and Equipment

As of 31 December 2014 the company and its subsidiaries had the net book value of the land, buildings and equipment valued at 7,927.89 million baht, up from the previous year by 616.07 million baht, or 8.43% higher. The company and its subsidiaries had the rate of asset turning in 2014 equaled to 0.16 times, which decreased from the previous year by 0.17 times. The increase or decrease of land, buildings and equipment in 2014 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.2014	
	Historical cost	Revaluation surplus	Increase	Decrease	Historical cost	Revaluation surplus
<b>Cost/increased price</b>						
Land and cost of land improvement	386.36	2,213.27	0.77		386.98	2,213.42
Building and its improvement	3,660.00	2,969.46	122.88	0.25	3,741.05	3,011.04
Work under construction	207.85		741.84	96.25	853.44	-
Equipment, vehicle and others	1,646.76		47.90	8.78	1,685.88	
Total cost and appreciated price	5900.97	5182.73	913.39	105.28	6,667.35	5,224.46
	11,083.70				11,891.81	
<b>Accrued depreciation cost</b>						
Land improvement	1.54				1.54	
Building/improvement- Historical cost	1,885.44		51.31		1,936.75	
Building/improvement- Revaluation surplus		559.29	83.02			642.31
Equipment, vehicle and other	1,325.61		66.46	8.75	1,383.32	
Total accrued depreciation	3,212.59	559.29	200.79	8.75	3,321.61	642.31
	3,771.88				3,963.92	
<b>Net accounting value</b>						
Land and cost of improvement	384.82	2,213.27			385.44	2,213.42
Building and its improvement	1,774.56	2,410.17			1,804.30	2,368.73
Work under construction	207.85				853.44	
Equipment, vehicle and others	321.15				302.56	
Total net accounting value	2,688.38	4,623.44			3,345.74	4,582.15
	<b>7,311.82</b>				<b>7,927.89</b>	

The company has land, building, and equipment for 7,927.89 million baht in 2014 which is 616.07 million baht more than the previous year.

- Land and cost of improvement – the historical cost is 385.44 million baht which is 0.62 million baht or 0.16% increased
- Land and cost of improvement – the revaluation surplus is 2,213.42 million baht which is 0.15 million baht or 0.01% increased
- Building and its improvement – the historical cost is 1,804.30 million baht which is 29.74 million baht or 1.68% increased
- Building and its improvement – the revaluation surplus is 2,368.73 million baht which is 41.44 million baht or 1.72% decreased
- Work under construction – 853.44 million baht which is 645.59 million baht or 310.60% increased
- Equipment, vehicle and others – 320.56 million baht which is 18.59 million baht or 5.79% decreased.

Revaluation surplus of land, building, and its cost of improvement is recorded according to fair value which is evaluated by an independent appraisal and the depreciation cost was calculated according to the remaining age of usage. The independent appraisal is appointed by the company to evaluate the asset cost in every 5 years or before if any significant effect that influence the asset cost is found during the period

### C) Trade debtors and other debtors

As of 31 December 2014 the company and its subsidiaries had trade debtors and other debtors amounted to 115.54 million baht, decreased over the previous year by 16.83 million baht. It consisted of trade debtors – net decrease by 15.02 million baht and other debtors decreased by 1.81 million baht.-

Details on trade debtors and other debtors	2014		2013		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Trade debtors – net</b>						
Trade debtor – hotel business	30.36	34.28	39.10	37.74	(8.74)	-22.35
Trade debtor-leasing business	<u>58.21</u>	<u>65.72</u>	<u>64.49</u>	<u>62.26</u>	<u>(6.28)</u>	<u>-9.74</u>
	<u>88.57</u>	<u>100.00</u>	<u>103.59</u>	<u>100.00</u>	<u>(15.02)</u>	-14.50
<b>Other debtors</b>						
Construction prepayment	6.69		21.50		(14.81)	-68.88
Advance payment and other debtor	<u>20.28</u>		<u>7.87</u>		<u>13.00</u>	<u>178.57</u>
	<u>26.97</u>		28.78		(1.81)	-6.29
Total trade debtors and others	115.54		132.37		(16.83)	-12.71



In 2014 the company and its subsidiaries had the average debt collection of about 43 days. 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	22.55	70.34	12.15	17.40	
Debt owed 1-30 days	5.97	18.62	16.14	23.10	
Debt owed 31-60 days	0.47	1.46	9.09	13.02	
Debt owed 61-90 days	0.73	2.28	4.80	6.87	
Debt owed 91-365 days	1.86	5.80	14.77	21.15	
Debt owed more than 1 year	<u>0.48</u>	<u>1.50</u>	<u>12.89</u>	<u>18.46</u>	
	32.06	100.00	69.84	100.00	101.90
<u>Deduct – Allowance for bad debts</u>	<u>1.70</u>		<u>16.32</u>		<u>18.02</u>
Trade debtor – net	30.36		53.52		83.88
Prepaid check	-		4.69		4.69
Total trade debtor – net	39.36		58.21		88.57

#### 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 2014 the company and its subsidiaries set up the net doubtful debts additionally amounted to 9.91 million baht. So the company had doubtful debts increased from 16.09 million baht at the end of 2013 to 26 million baht at the end of 2014, the company believed the doubtful debts set up would be suitable and sufficient.

#### **Commitments in Liabilities**

The consolidated liabilities of the company and its subsidiaries as of 31 December 2014 had 3,740.88 million baht compared with the total consolidated liabilities on 31 December 2013 valued at 3,195.33 million baht. The liabilities were increased by 545.55 million baht, as a result from the company and its subsidiaries borrow the loans from the financial institutions 445.27 million baht for investment in Zeer II Project (The Hub) and AA Town Apartment Project as at 31 December 2013 and 2014 the company and subsidiaries may have liabilities as follow:

- Letters of guarantee issued by banks Letters of guarantee issued by banks total equals 21.9 million baht.
- The Company guarantees liabilities of its two subsidiaries in the amount of Baht 989.50 million and Baht 988 million respectively.

- The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of Baht 2,185 million and Baht 2,187 million respectively.
- The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of Baht 1,645 million.
- During the year 2014, the Company had guarantee for liabilities of other two companies totaling Baht 109.11 million. As at December 31, 2014, the Company relieved the guarantee as follows:
  - a) The subsidiary received a letter from the Office of The Securities and Exchange Commission (the Office) dated April 4, 2014 inquired the Company on the transactions had with a company whereby the Company guaranteed the debt of that company having with a financial institution. On August 1, 2014, the financial institution relieved the guarantee of Baht 100 million of this company for the Company. Currently, the outcome on the Office’s consideration is not finalized.
  - b) Another company had been default in payment of principal and interest and the creditor sued the subsidiary of Baht 20.6 million as the guarantor. The Company’s management had estimated the potential damage and set up the provision for loss on guarantee of Baht 13.9 million. On August 4, 2014, the Company entered into compromise agreement with the financial institution to settle the amount of Baht 3.6 million in order to relieve such guarantee obligation. Presently, the Company had settled the obligation on September 26, 2014.
- The subsidiary – Zeer Property Plc. was sued by an insurance company on the matter of violation on sub insurance right for the total amount of Baht 0.62 million. Presently the cases are still pending in the Supreme Court.
- 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.
- The subsidiary– Zeer Property Plc. has obligation to pay for construction project in the future as at December 31, 2014 and 2013 in the amount of Baht233.57 million and Baht 508.33 million respectively.

#### **4. Liquidity and Sufficiency of the Capital of the Company**

##### **Ratio of liquidity**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Liquidity ratio (time)	0.61	0.73	0.52
Ratio of quick ratio (time)	0.52	0.62	0.42

As of 31 December 2014 the company and its subsidiaries had current assets increased from the previous year by 21.43 million baht and current liabilities higher from the previous year by 104.65 million, resulted in the reduced working capital, so less liquidity with the liquidity ratio and the quick ratio improved continuously.

##### **Debt Management Ratios**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt to equity ratio (time)	0.79	0.69	0.72
Interest coverage ratio (time)	6.45	5.12	4.89

In 2014 the company and its subsidiaries had total liabilities 3,740.88 million baht, higher 545.55 million from last year while the shareholder’s equity of net worth gradually increased from 4,658.08 million baht in 2013 to 4,718.28 million baht at the end of 2014 which was a result from the

increased ratio of shareholders' equity increased is less than that of total liabilities which led to an increase of liabilities to shareholders' equity ratio from 0.69 in 2013 to 0.79 in 2014

During 2012-2014, the company and its subsidiaries have a continuously increase of net cash flow from operation which are 423.03 million baht, 434.38 million baht, and 485.27 million baht in 2012, 2013, and 2014 respectively. The cause of an increase is due to repayment to financial institution resulting in decrease of interest in each year which eventually lead to an increase in interest repay ability from 4.89 to 5.12 and 6.45 in 2012,2013,2014 respectively.

### **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)

	2013	2012	2011
Net cash provided by operating activities	485.27	434.38	423.03
Net cash used in investing activities	(647.35)	(165.66)	(148.04)
Net cash used in financing activities	199.82	(265.22)	(223.18)
Cash & the equivalent increased (decreased)	37.74	3.50	51.81
Difference from conversion of finance	0.87	(1.40)	(0.57)
Csh and cash equivalent at the beginning of period	92.68	90.58	39.34
Cash & the equivalent at the ending of period	131.29	92.68	90.58

In 2014 the company and its subsidiaries had net cash from operating activities by 485 million baht increased from the year equaled 51 million baht. 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 activities amounted to 647 million baht, which was a purchase of fixed assets and intangible assets. It also received net cash in the activity of financing for 200 million baht, which is the long term loan from the financial institutions.

### **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 from 423 million baht in 2012 to 485 million in 2014 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 II Project (The Hub), which is a new shopping center building on the side area of Zeer Rangsit shopping center building at present, the company received credit approval for construction from a financial institution amounted 950 million baht equal 100% of construction budget and received the loan for 1 building of AA Town Apartment Project amounted 50 million baht, so it had sufficient financial sources with appropriate conditions to repay the loan suitably.

## 5. The Change in Accounting Treatment on Fixed Assets and Correction of Error

In 2014, There are the change in the subsidiary's accounting treatment on the fixed assets from applying the Thai Accounting Standard No. 40 "Investment Property" to applying Thai Accounting Standard No. 16 "Property, Plant and Equipment" and restate the financial statements. This is to conform to the nature of the business and to present the information for the better decision making.

The Company has reclassified certain accounts in the financial statements of prior periods to conform to the presentation of the financial statements of current year.

The effects to consolidated financial position as at December 31, 2013 and January 1, 2013 and the consolidated statement of comprehensive income for the year ended December 31, 2013 are as follows:

	Unit:Thousands Baht		
	Consolidated financial statements		
	As previously reported	Adjustment and reclassification	After adjustment
<b>STATEMENTS OF FINANCIAL POSITION</b>			
<b>AS AT JANUARY 1, 2013</b>			
Investment properties	4,666,281	(4,666,281)	-
Property, plant and equipment - net	4,538,796	2,938,835	7,477,631
Deferred tax assets	58,861	(16,620)	42,241
Prepaid rental	14,377	123,726	138,103
Deferred interest expenses - land rental	15,081	(15,081)	-
Land rent payable recognised under financial lease agreements	279,112	(279,112)	-
Deferred tax liabilities	1,251,927	(236,658)	1,015,269
Retained earnings unappropriated	2,504,458	(2,488,034)	16,424
Other components of equity	2,546,524	1,453,541	4,000,065
Non - controlling interests	186,202	(54,994)	131,208

	Unit:Thousands Baht		
	Consolidated financial statements		
	As previously reported	Adjustment and reclassification	After adjustment
<b>STATEMENTS OF FINANCIAL POSITION</b>			
<b>AS AT DECEMBER 31, 2013</b>			
Investment properties	5,174,402	(5,174,402)	-
Property, plant and equipment - net	4,434,581	2,877,239	7,311,820
Deferred tax assets	60,521	(15,951)	44,570
Prepaid rental	13,164	124,304	137,468
Deferred interest expenses - land rental	10,658	(10,658)	-
Land rent payable recognised under financial lease agreements	279,112	(279,112)	-
Deferred tax liabilities	1,345,546	(363,273)	982,273
Retained earnings unappropriated	2,983,215	(2,856,379)	126,836
Other components of equity	2,517,115	1,399,255	3,916,370
Non - controlling interests	208,504	(78,643)	129,861

	Unit:Thousands Baht		
	Consolidated financial statements		
	As previously reported	Adjustment and reclassification	After adjustment
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>			
<b>FOR THE YEAR ENDED DECEMBER 31, 2013</b>			
Cost of rental and services	(237,259)	(100,650)	(337,909)
Amortized interest on land rental under financial lease	(17,344)	17,344	-
Gain on adjustment for fair value of investment properties	412,369	(412,369)	-
Other incomes	61,437	577	62,014
Administrative expenses	(209,640)	697	(208,943)
Income tax expense	(163,043)	106,056	(56,987)
Net profit for the year	<u>524,980</u>	<u>(388,345)</u>	<u>136,635</u>
Other comprehensive income (loss) :			
Difference on exchange rate from currency translation	461	12,676	13,137
Revaluation surplus - amortization	(38,457)	(92,695)	(131,152)
Income tax - component of other comprehensive income	7,691	22,085	29,776
Basic earnings per share:	15.60	(11.51)	4.09



## **6. Factors affecting the operation and financial statement in the future**

### **1. External factors affecting hotel business**

1.1 Economic factor: The public debt in European region and the political instability within the country are the main factors affecting the tourism industry since the hotel business is very sensitive to several influences. Since the problem is uncontrollable, the company tries to target the customer from European to more Asian tourists.

1.2 Competition factor: The hotel business in the country is highly competitive especially in Bangkok. As a result, the company's income and profit is inevitably affected from price competition. The restaurant is also affected since the customers tend to prefer new kinds of restaurants, a decreased in market share is resulted. Because of these, the company policy is to maintain the service to keep the prior customer base, establish promotions and packages to attract more customers, and advertise through newspaper, television, radio, and online together with asset controlling to improve the competition potential.

### **2. Internal factors affecting hotel business**

The company has emphasized in human development by training the personnels to have adequate quality as well as giving a chance for personnels to represent their self development latest technology and IT. The company are also set for the continuously improvement of service and operation. The company strongly believe that the personnels' knowledge and ability is necessary for the growth of the company

### **3. External factors affecting shopping center business**

3.1 Competition factor: Besides shopping center for IT and electronics, the company has established "The Hub" project to develop Zeer Rangsit to be a complete wholesale shopping center. This will satisfy all customer needs and can increase the market share in the business.

3.2 Natural factor: The company insured to cover the damage from natural disasters with an insurance company that has a reputation for stability and famous. The company have reviewed the appropriate policy and insurance limit annually.

### **4. Internal factors affecting shopping center business**

From the expansion of shopping center business continuously, the company have much invested in IT, marketing and personnel development. The company also set the strategy plan and management to align with the business growth and for the efficiency in operation continuously.

## 14. Report of the Audit Committee

At present the company audit committee comprises of 4 members of independent directors. They are Mr. Suwat Dusitrojjanawongse, Chairman of the committee, Mr. Sombut Pupipathirunkul, Mr. Piyawudh Senapoopitaksa and Dr. Chotima Puasiri. In 2014 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.

➤ 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 transparency.

➤ Audit committee is aware of the obligation to monitor and review the procedure on anti-corruption policy. The Board of Directors has announced its intention to provide support for accuracy and transparency.

➤ Audit committee proposes the director of the company to propose to the shareholders' meeting for considering the election of Mr. Atipong Atipongsakul or Mr. Satien Vongsanun or Mr. Wichai Rujitanont or Miss Kultida Pasurakul the certified auditor of the ANS Audit Co., Ltd. to be an auditor of the company for the year ended as at December 31, 2015.

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 Dusitrojjanawongse*  
*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 2014 Meeting
Mr. Sombut Pupipathirunkul	Chairman	2/2
Mr. Piyawudh Senapoopitaksa	Member	2/2
Mr. Suwat Dusitrojanawongse	Member	2/2

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.

The Committee is currently in process of recruitment of the new chairman replacing Mr. Kumpol Techaruvichit due to the company has policy of chairman qualification, is independent director as of December 31, 2014, 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 2014'. 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 2, 2015

## 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 2014 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*

**Independent Auditor's Report****To the Shareholders and the Board of Directors of****Asia Hotel Public Company Limited and its subsidiaries**

I have audited the accompanying consolidated and separate financial statements of Asia Hotel Public Company Limited and its subsidiaries and of Asia Hotel Public Company Limited respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2014, and the related 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, and 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 audits in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audits 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 referred to above present fairly, in all material respects, the consolidated and separate financial position of Asia Hotel Public Company Limited and its subsidiaries and of Asia Hotel Public Company Limited respectively as at December 31, 2014, and the consolidated and separate results of operations and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## **Emphasis of Matter**

I draw attention to the followings:

1. Note to Financial Statements 25.5 a, a subsidiary received a letter from the Office of The Securities and Exchange Commission (the Office) dated April 4, 2014 inquired the subsidiary on the transactions the subsidiary had with a company whereby the subsidiary guaranteed the debt of that company having with a financial institution. Currently, the financial institution already relieved the guarantee obligation of the subsidiary.
2. Note to Financial Statements 35, a subsidiary changes its accounting treatment on the fixed assets from applying the Thai Accounting Standard No. 40 “Investment Property” to applying Thai Accounting Standard No. 16 “Property, Plant and Equipment” and a another subsidiary has restated its financial statements regarding the account of the deferred tax.

My conclusion is not qualified in respect of the above matters.

## **Other Matter**

The consolidated statements of financial statements (before restated) and the separate statements of financial statements for the year ended December 31, 2013 of Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively and the consolidated statements of financial position (before restated) as at January 1, 2013 of Asia Hotel Public Company Limited and its subsidiaries which have been presented herewith for comparative purposes were audited by other auditor, whose report dated February 27, 2014 expressed an unqualified opinion and have the emphasis paragraph regarding the change in accounting policy on Income Tax.



Atipong AtipongSakul

Certified Public Accountant Registration Number 3500

ANS Audit Company Limited

Bangkok, February 27, 2015

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements		
		December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013
			"Restated"	"Restated"		
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	5	131,291,674	92,687,856	90,582,601	7,485,018	12,068,944
Current investments		626,384	626,384	595,409	-	-
Trade and other receivables - net	6, 7	115,535,803	132,369,888	85,360,479	18,951,032	18,336,646
Inventories - net	8	40,462,281	40,808,242	40,879,247	18,990,944	19,319,682
Total current assets		287,916,142	266,492,370	217,417,736	45,426,994	49,725,272
Non - current assets						
Long - term investments in subsidiary companies	9	-	-	-	1,140,593,700	1,140,593,700
Long - term investments with other company	10	-	-	-	-	-
Restricted deposit with financial institution	11	4,000,000	4,000,000	4,000,000	-	-
Long-term loan to related company and accrued interest income - net	7	70,588,235	80,380,999	86,581,177	70,588,235	80,380,999
Property, plant and equipment - net	12	7,927,894,648	7,311,820,982	7,477,631,433	2,156,930,152	2,191,167,653
Intangible assets - net	14	1,706,284	1,403,956	1,222,410	293,801	384,050
Deferred tax assets	15	19,394,952	44,570,191	42,241,359	-	-
Prepaid rental	7, 16	141,268,985	137,467,812	138,103,480	11,951,981	13,164,394
Other non - current assets						
Deposits and guarantee		1,052,463	3,088,705	971,706	300,622	956,914
Prepaid withholding income tax		4,304,187	3,329,876	3,060,714	3,347,063	2,464,820
Others		1,032,006	857,120	1,177,702	-	-
Total non - current assets		8,171,241,760	7,586,919,641	7,754,989,981	3,384,005,554	3,429,112,530
<b>Total assets</b>		<b>8,459,157,902</b>	<b>7,853,412,011</b>	<b>7,972,407,717</b>	<b>3,429,432,548</b>	<b>3,478,837,802</b>

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements		
		December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013
			"Restated"	"Restated"		
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>						
Current liabilities						
Bank overdrafts and short-term loans						
from financial institutions	17	33,069,836	66,486,038	129,989,971	26,022,157	19,679,630
Trade payables		34,260,989	34,294,811	31,729,210	13,995,954	13,165,439
Other payables	18	108,323,004	70,779,608	74,398,652	20,866,992	20,367,858
Current portion of long-term loan from financial institutions	19	160,191,631	131,678,694	117,499,508	76,500,000	70,500,000
Current portion of liabilities under financial lease agreements		162,284	230,895	1,724,278	-	-
Current portion of deferred income	22	8,278,199	8,278,200	8,278,200	-	-
Short-term loans and accrued interest expense						
- related companies	7	-	-	-	300,924,776	289,347,368
Assets payable		99,723,355	35,479,366	34,520,524	793,080	854,388
Accrued income tax		27,423,768	19,552,911	17,407,999	-	-
Total current liabilities		<u>471,433,066</u>	<u>366,780,523</u>	<u>415,548,342</u>	<u>439,102,959</u>	<u>413,914,683</u>
Non - current liabilities						
Long-term loan from financial institutions - net	19	2,012,028,231	1,566,763,326	1,640,467,469	897,500,000	974,000,000
Liabilities under financial lease agreements - net		-	162,284	393,179	-	-
Deferred tax liabilities	15	978,104,405	982,272,700	1,015,268,675	306,122,501	291,969,239
Employee benefit obligations	20	54,777,703	60,376,446	55,311,052	30,471,583	26,355,732
Guarantee for rental	21	171,826,990	159,281,902	148,035,966	11,451,264	9,472,439
Deferred revenue - leasehold rights	22	48,757,983	55,986,739	63,215,496	-	-
Other non - current liabilities		3,949,732	3,710,821	3,410,111	1,416,800	1,446,600
Total non - current liabilities		<u>3,269,445,044</u>	<u>2,828,554,218</u>	<u>2,926,101,948</u>	<u>1,246,962,148</u>	<u>1,303,244,010</u>
Total liabilities		<u>3,740,878,110</u>	<u>3,195,334,741</u>	<u>3,341,650,290</u>	<u>1,686,065,107</u>	<u>1,717,158,693</u>

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2014**

	Unit: Baht				
	Consolidated financial statements			Separate financial statements	
	December 31, 2014	December 31, 2013	January 1, 2013	December 31, 2014	December 31, 2013
	Notes	"Restated"	"Restated"		
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
Common shares Baht 10 par value 50,000,000 shares	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid-up					
Common shares Baht 10 par value 32,000,000 shares	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000
Capital surplus					
Premium on share - sale of parent's common share held					
by subsidiaries	112,743,250	112,743,250	112,743,250	-	-
Surplus on dilution of investment in subsidiary	37,539,076	37,539,076	38,484,309	-	-
Retained earnings					
Appropriated					
Legal reserve	20,575,599	14,727,575	11,832,533	21,170,043	15,322,019
Unappropriated	202,674,667	126,836,070	16,424,509	100,895,048	118,897,163
Other components of equity	3,889,073,292	3,916,369,972	4,000,064,876	1,301,302,350	1,307,459,927
Total equity of the parent company	4,582,605,884	4,528,215,943	4,499,549,477	1,743,367,441	1,761,679,109
Non - controlling interests	135,673,908	129,861,327	131,207,950	-	-
Total shareholders' equity	4,718,279,792	4,658,077,270	4,630,757,427	1,743,367,441	1,761,679,109
<b>Total liabilities and shareholders' equity</b>	<b>8,459,157,902</b>	<b>7,853,412,011</b>	<b>7,972,407,717</b>	<b>3,429,432,548</b>	<b>3,478,837,802</b>

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2014	2013 "Restated"	2014	2013
<b>REVENUES</b>	7, 26, 29				
Income from hotel business		628,723,447	730,584,880	304,085,734	364,736,835
Rental and services income		582,530,913	585,640,041	-	-
<b>Total revenues</b>		<b>1,211,254,360</b>	<b>1,316,224,921</b>	<b>304,085,734</b>	<b>364,736,835</b>
<b>COST OF SALES AND SERVICES</b>					
Cost of hotel business		(437,591,101)	(452,927,297)	(226,111,705)	(225,386,075)
Cost of rental and services		(314,728,536)	(337,909,457)	-	-
<b>Total cost of sales and services</b>		<b>(752,319,637)</b>	<b>(790,836,754)</b>	<b>(226,111,705)</b>	<b>(225,386,075)</b>
<b>GROSS PROFIT</b>		<b>458,934,723</b>	<b>525,388,167</b>	<b>77,974,029</b>	<b>139,350,760</b>
Dividend income	9	-	-	106,706,100	64,023,660
Other income	28	114,867,461	62,013,848	50,284,649	46,540,436
Profit before expenses		573,802,184	587,402,015	234,964,778	249,914,856
Selling expenses		(43,545,658)	(40,847,297)	(18,588,045)	(21,037,757)
Administrative expenses		(175,180,253)	(208,942,568)	(88,686,441)	(85,232,973)
Management benefit expenses	31	(13,783,110)	(19,757,730)	(6,089,160)	(7,696,750)
Directors' remuneration	30	(3,482,935)	(3,591,435)	(1,855,435)	(1,776,685)
Reversal of provision for doubtful debt - net					
from provision for doubtful debt		74,550,888	906,219	90,712,389	6,749,462
Bad debt		-	(2,159,070)	-	-
Loss on guarantee of other company	25.5.b	(3,600,000)	-	-	-
Financial cost		(105,769,840)	(119,388,060)	(77,524,891)	(84,520,058)
Profit before income tax		302,991,276	193,622,074	132,933,195	56,400,095
Income tax (expense) revenue	15	(91,104,678)	(56,987,437)	(15,972,702)	1,500,729
<b>Net profit for the year</b>		<b>211,886,598</b>	<b>136,634,637</b>	<b>116,960,493</b>	<b>57,900,824</b>

The accompanying notes are an integral part of the financial statements.



**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
			"Restated"		
<b>Other comprehensive income (loss):</b>					
Actuarial gain (loss)	20	12,134,198	-	(1,400,230)	-
Difference on exchange rate from currency translation		1,080,074	13,137,358	-	-
Changes in revaluation surplus	13	(35,854,011)	(131,152,101)	(7,696,971)	(7,696,971)
Income tax - component of other comprehensive incor	13	4,743,963	29,775,519	1,819,440	1,539,394
Other comprehensive loss for the year		(17,895,776)	(88,239,224)	(7,277,761)	(6,157,577)
<b>Total comprehensive income for the year</b>		<b>193,990,822</b>	<b>48,395,413</b>	<b>109,682,732</b>	<b>51,743,247</b>
<b>Attributable to:</b>					
Equity holders of the parent		200,029,286	130,905,833	116,960,493	57,900,824
Non - controlling interests		11,857,312	5,728,804	-	-
		<b>211,886,598</b>	<b>136,634,637</b>	<b>116,960,493</b>	<b>57,900,824</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		182,384,341	47,210,929	109,682,732	51,743,247
Non - controlling interests		11,606,481	1,184,484	-	-
		<b>193,990,822</b>	<b>48,395,413</b>	<b>109,682,732</b>	<b>51,743,247</b>
<b>BASIC EARNINGS PER SHARE</b>					
Basic earnings per share (Baht)		6.25	4.09	3.66	1.81
Number of weighted average share (Shares)		32,000,000	32,000,000	32,000,000	32,000,000

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013 "Restated"	2014	2013
<b>Cash flows from operating activities :</b>				
Net profit before corporate income tax	302,991,276	193,622,074	132,933,195	56,400,095
Adjustment to reconcile net profit (loss) to cash provided by (used in) operating activities				
Employee benefit provision	8,924,072	7,853,394	4,470,608	3,409,029
Depreciation	117,716,736	176,934,122	43,105,358	44,500,161
Amortized prepaid rental	23,548,090	23,548,090	1,212,413	1,212,413
Amortized computer software	646,012	530,600	90,249	46,361
Reversal of provision for doubtful debt	(75,026,905)	(906,219)	(91,188,406)	(6,749,462)
Bad debt	476,017	2,159,070	476,017	-
Corporate income tax deducted at source	-	303,193	-	-
Reversal of provision for devaluation of inventory	(1,188)	(1,787)	(1,188)	(1,787)
Gain on sale of fixed assets	(447,341)	(410,241)	(247,815)	(156,968)
Loss on unused of fixed assets	-	676,130	-	-
Expense of the demolition of collapsed building	-	36,196,760	-	-
Income on leasehold rights	(7,228,756)	(7,228,757)	-	-
Dividend income	-	-	(106,706,100)	(64,023,660)
Financial cost - interest expense	105,769,840	119,388,060	77,524,891	84,520,058
Profit from operations before changes in operating assets and liabilities	477,367,853	552,664,489	61,669,222	119,156,240
Operating assets (increase) decrease				
Trade accounts receivable and other receivable	16,358,068	(55,062,082)	(1,419,233)	884,154
Inventories	347,149	72,793	329,926	(524,523)
Other non - current assets	1,861,355	(1,738,258)	656,291	(516,703)

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013 "Restated"	2014	2013
Operating liabilities increase (decrease)				
Trade accounts payable	(33,822)	2,565,601	830,515	1,457,937
Other payable	38,292,732	(3,641,299)	1,061,853	2,132,704
Guarantee for rental	12,545,088	11,245,937	1,978,825	1,500,594
Other non - current liabilities	238,911	300,710	(29,800)	188,400
Cash received from operating activities	546,977,334	506,407,891	65,077,599	124,278,803
Cash paid for employee benefit	(2,388,617)	(2,788,000)	(1,754,986)	(1,422,300)
Corporate income tax receipt	1,198,780	919,506	1,198,780	919,506
Corporate income tax paid	(60,520,869)	(70,159,195)	(2,081,024)	(1,266,025)
Net cash provided by operating activities	485,266,628	434,380,202	62,440,369	122,509,984
<b>Cash flow from investing activities :</b>				
Cash paid for temporary investment	-	(30,975)	-	-
Dividend income from investments	-	-	106,706,100	64,023,660
Cash received from long - term loan - receivable and accrued interest income - related parties	84,819,669	13,000,000	101,310,000	13,000,000
Cash received from sale of fixed assets	481,500	949,961	260,607	202,951
Cash paid for purchase of fixed assets and intangible assets	(769,547,700)	(122,616,204)	(16,577,619)	(13,854,663)
Cash paid for prepaid rental	(27,349,263)	(22,912,421)	-	-
Assets payable increase (decrease)	64,243,989	(34,045,444)	(61,308)	(112,355)
Net cash provided by (used in) investing activities	(647,351,805)	(165,655,083)	191,637,780	63,259,593

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2014	2013 "Restated"	2014	2013
<b>Cash flow from financing activities :</b>				
Bank overdrafts and short term loans from financial institution increase (decrease)	(33,416,202)	(63,503,933)	6,342,527	(22,057,237)
Cash paid from short - term loans and accrued interest expense - related parties	-	-	(45,500,000)	(36,000,000)
Cash received for short - term loans and accrued interest expense - related parties	-	-	44,500,000	32,000,000
Cash paid for financial cost				
Financial interest	(106,519,176)	(119,388,947)	(65,510,202)	(71,823,491)
Cash paid for dividend	(133,788,300)	(21,075,570)	(127,994,400)	(17,599,230)
Cash paid for long-term loans	(132,922,159)	(123,509,126)	(70,500,000)	(64,500,000)
Cash received from long - term loans	606,700,000	63,984,170	-	-
Cash paid for liabilities under financial lease agreement	(230,895)	(1,724,278)	-	-
Net cash provided by (used in) financing activities	199,823,268	(265,217,684)	(258,662,075)	(179,979,958)
Cash and cash equivalents increase (decrease) - net	37,738,091	3,507,435	(4,583,926)	5,789,619
Difference from currency translation	865,727	(1,402,180)	-	-
Cash and cash equivalents at the beginning of period	92,687,856	90,582,601	12,068,944	6,279,325
Cash and cash equivalents at the ending of period	131,291,674	92,687,856	7,485,018	12,068,944

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGE IN SHAREHOLDERS EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

Consolidated financial statements													
Equity attributable to equity holders of the Company													
Notes				Retained earnings		Other components of equity			Total		Non-controlling interest	Total	
	Paid-up share capital	Premium on share - sale of parent's common share held	Surplus on change in shareholding proportion	Legal reserve	Unappropriated	Other comprehensive income		Total other component of equity	Total parent shareholders' equity				
						Revaluation surplus of assets	Actuarial gain			Currency translation			
Balance as at January 1, 2013													
- as previously reported	320,000,000	112,743,250	38,484,309	11,832,533	2,608,294,812	2,546,777,058	-	(252,595)	2,546,524,463	5,637,879,367	191,840,233	5,829,719,600	
Cumulative effect of change accounting policies	35	-	-	-	(2,591,870,303)	1,451,399,563	-	2,140,850	1,453,540,413	(1,138,329,890)	(60,632,283)	(1,198,962,173)	
Balance as at January 1, 2013													
- as restated	320,000,000	112,743,250	38,484,309	11,832,533	16,424,509	3,998,176,621	-	1,888,255	4,000,064,876	4,499,549,477	131,207,950	4,630,757,427	
Changes in equity for the year :													
Dividends	24	-	-	-	(17,599,230)	-	-	-	-	(17,599,230)	(3,476,340)	(21,075,570)	
Excess of change in non-controlling shareholder		-	-	(945,233)	-	-	-	-	-	(945,233)	945,233	-	
Legal reserve	23	-	-	2,895,042	(2,895,042)	-	-	-	-	-	-	-	
Comprehensive income (loss) for the year		-	-	-	130,905,833	(96,155,688)	-	12,460,784	(83,694,904)	47,210,929	1,184,484	48,395,413	
Balance as at December 31, 2013		320,000,000	112,743,250	37,539,076	14,727,575	126,836,070	3,902,020,933	-	14,349,039	3,916,369,972	4,528,215,943	129,861,327	4,658,077,270
Changes in equity for the year :													
Dividends	24	-	-	-	(127,994,400)	-	-	-	-	(127,994,400)	(5,793,900)	(133,788,300)	
Legal reserve	23	-	-	5,848,024	(5,848,024)	-	-	-	-	-	-	-	
Transferred to retained earnings		-	-	-	9,651,735	-	(9,651,735)	-	(9,651,735)	-	-	-	
Comprehensive income (loss) for the year		-	-	-	200,029,286	(28,162,407)	9,651,735	865,727	(17,644,945)	182,384,341	11,606,481	193,990,822	
Balance as at December 31, 2014		320,000,000	112,743,250	37,539,076	20,575,599	202,674,667	3,873,858,526	-	15,214,766	3,889,073,292	4,582,605,884	135,673,908	4,718,279,792

The accompanying notes are an integral part of the financial statements.



**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGE IN SHAREHOLDERS EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Unit: Baht

Separate financial statements								
	Notes	Retained earnings			Other component of equity			Total
		Paid-up share capital	Legal reserve	Unappropriated	Other comprehensive income		Total other component of equity	
				surplus of assets	Acturial loss			
Balance as at January 1, 2013		320,000,000	12,426,977	81,490,610	1,313,617,504	-	1,313,617,504	1,727,535,091
Devidends	24	-	-	(17,599,230)	-	-	-	(17,599,230)
Legal reserve	23	-	2,895,042	(2,895,042)	-	-	-	-
Comprehensive income (loss) for the year		-	-	57,900,825	(6,157,577)	-	(6,157,577)	51,743,248
Balance as at December 31, 2013		320,000,000	15,322,019	118,897,163	1,307,459,927	-	1,307,459,927	1,761,679,109
Devidends	24	-	-	(127,994,400)	-	-	-	(127,994,400)
Legal reserve	23	-	5,848,024	(5,848,024)	-	-	-	-
Transferred to retained earnings		-	-	(1,120,184)	-	1,120,184	1,120,184	-
Comprehensive income (loss) for the year		-	-	116,960,493	(6,157,577)	(1,120,184)	(7,277,761)	109,682,732
Balance as at December 31, 2014		320,000,000	21,170,043	100,895,048	1,301,302,350	-	1,301,302,350	1,743,367,441

The accompanying notes are an integral part of the financial statements.

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**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.
- A Subsidiary, Zeer Property Plc., is involved in rental shopping complex business.
- A Subsidiary, ZEER OVERSEA LLC., is 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. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of Asia Hotel Public Company Limited and the following subsidiary companies (together referred to as the “Group”)

Company's name	Nature of business	Incorporation	of shareholding	
			<u>2014</u>	<u>2013</u>
			Percent	Percent
<b>Subsidiaries directly held by the Company</b>				
Asia Pattaya Hotel Co., Ltd.	Hotel and restaurant	Thailand	99.42	99.42
Asia Airport Hotel Co., Ltd.	Hotel and restaurant	Thailand	100.00	100.00
Zeer Property Plc.	Rental shopping complex business and utility services	Thailand	94.85	94.85
<b>Subsidiaries held by Zeer Property Plc.</b>				
Zeer Asset Co., Ltd.	Management property	Thailand	96.99	96.99
ZEER OVERSEA LLC.	Rental shopping complex	USA	99.90	99.90

All significant intercompany transactions and accounts were eliminated in preparing the consolidated financial statements.

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The preparations of the consolidated financial statements have been based on the same accounting policies for the same or similar accounting transactions or accounting events.

## **New and revised Thai Financial Reporting Standards**

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

### **Accounting standards that became effective in the current accounting year**

- a) The Conceptual Financial Reporting Standards (revised 2014)
- b) Thai Accounting Standards (“TAS”), Thai Financial Reporting Standards (“TFRS”), Thai Accounting Standard Interpretations (“TSIC”), Thai Financial Reporting Standard Interpretations (“TFRIC”) and Accounting Treatment Guidance as follows:

<b>TAS/TFRS/TSIC/TFRIC</b>	<b>Topic</b>
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share - Based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

<b>TAS/TFRS/TSIC/TFRIC</b>	<b>Topic</b>
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

#### Accounting Treatment Guidance for Stock Dividend

These accounting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards.

The management of the Company has assessed that the above standards do not have any significant impacts on the financial statements.

### **Accounting standards that will become effective in the future**

The Federation of Accounting Professions has issued a number of revised and new accounting standards that become effective for fiscal years beginning on or after 1 January 2015. These accounting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these accounting standards involve changes to key principles, as discussed below:

#### ***TAS 19 (revised 2014) Employee Benefits***

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognize actuarial gains and losses in other comprehensive income in the period in which they occur in accordance with the revised standard.

#### ***TFRS 10 Consolidated Financial Statements***

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

#### ***TFRS 12 Disclosure of Interests in Other Entities***

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.



### ***IFRS 13 Fair Value Measurement***

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **Revenues and expenses recognition**

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.

### **Cash and cash equivalents**

Cash and cash equivalents represent cash on hand and deposits with bank with maturities of less than three months without restriction of usage or obligation.

### **Accounts receivable and other receivable**

Trade accounts receivable are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written-off during the year in which they are identified.

### **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.

### **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 devaluation (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.

### **Property, plant and equipment**

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).

The Company and subsidiary depreciate its building and equipment by the straight – line method over their estimated useful lives as follows:

Buildings and Building improvements	20 - 58 years
Public utility system	5 - 54 years
Machinery and equipment	5 - 20 years
Furniture and fixtures	5 - 20 years
Furniture and ornaments	5 - 10 years
Equipment for hotel and restaurants	5 - 20 years
Tools and office equipment	5 - 20 years
Vehicles	5 - 10 years

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 depreciation 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.

#### **Amortization**

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

#### **Borrowing cost**

Borrowing costs are recognized as expense in the period when incurred except the borrowing cost that are directly attributable to the acquisition, construction or production of asset as part of the cost of the asset. The capitalization of borrowing costs are ceased when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. The Company shall suspend capitalization of borrowing cost during extended periods in which it suspends active development of asset.

#### **Intangible assets**

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

### **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 statements of financial position 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.

### **Financial instruments**

Financial instrument shown in statements of financial position 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.

### **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.

## **Employee benefits**

### *Short-term benefits*

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

### *Post-employment benefits – defined benefit plan*

The employee benefits liabilities in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in the profit or loss in the period in which they arise.

## **Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **Basic earnings per share**

Basic earnings per share are determined by dividing the net income for the year by the weighted average number of shares outstanding during the year .

#### **Segment information**

Segment information is presented in respect of the Company and subsidiaries businesses. The primary format and business segments is based on the Company's and subsidiaries' management and internal reporting structure.

#### **4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT**

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments and estimates. Judgments and estimations will affect the amounts in the financial statements and the information presented in the Notes to financial statements. Actual results may differ from these judgments and estimates. Significant judgments and estimates are as follows:

##### **Impairment of receivables**

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.

##### **Allowance for obsolete, slow-moving and defective inventories**

The Company and subsidiaries maintain an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category.

##### **Impairment of investment**

Management reviews the impairment of investments in subsidiary companies by considering the operating result and the future business plan of the subsidiary companies. Such consideration is based on Management's judgment.



### Impairment of assets

The Company and subsidiaries consider asset as impaired when there is an indication that an asset may be impaired. If any such indication exists when there has been a significant decline in the fair value, the Company and subsidiaries make an estimate of the asset recoverable amount. The determination of recoverable amount is requires judgment. An impairment loss is recognized as an expense in the statement of comprehensive income.

### Building, equipment and computer software

Management determines the estimated useful lives and residual values for the Company's building, equipment and computer software. Management will revise the depreciation charge where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or no longer in use.

### Leases

In determining whether a lease is to be classified as an operating lease or finance lease, management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Cash on hand	5,572	5,009	2,977	3,232
Non-clearing cheques	2,012	5,831	95	488
Cash at banks				
Current account	16,228	23,135	3,628	6,600
Saving account	107,471	58,704	785	1,748
Fixed deposit with maturity				
of less than 3 mounths	9	8	-	-
Total	131,292	92,687	7,485	12,068

## 6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Trade receivable</b>				
The Company and its two subsidiaries, involved in the hotel business :				
Current accounts	22,550	16,924	13,974	9,204
Overdue 1 - 30 days	5,971	10,146	2,068	5,752
Overdue 31 - 60 days	471	1,814	119	1,049
Overdue 61 - 90 days	733	2,457	698	440
Overdue 91 - 365 days	1,855	7,754	1,606	28
Overdue more than 1 year	478	6,272	336	1,367
	<u>32,058</u>	<u>45,367</u>	<u>18,801</u>	<u>17,840</u>
<u>Less</u> Provision for doubtful debt	(1,696)	(6,272)	(1,696)	(1,367)
Total	<u>30,362</u>	<u>39,095</u>	<u>17,105</u>	<u>16,473</u>

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Subsidiary company - Zeer Property Plc. involved in				
rental shopping complex business :				
Current accounts	12,153	7,278	-	-
Overdue 1 - 30 days	16,143	26,220	-	-
Overdue 31 - 60 days	9,089	11,070	-	-
Overdue 61 - 90 days	4,802	8,879	-	-
Overdue 91 - 365 days	14,765	14,746	-	-
Overdue more than 1 year	12,885	5,428	-	-
	69,837	73,621	-	-
<u>Less Provision for doubtful debt</u>	(16,318)	(9,820)	-	-
	53,519	63,801	-	-
<b>Total</b>	<b>83,881</b>	<b>102,896</b>	<b>17,105</b>	<b>16,473</b>
Post dated cheques	4,687	693	-	-
<b>Trade accounts receivable - net</b>	<b>88,568</b>	<b>103,589</b>	<b>17,105</b>	<b>16,473</b>
<b>Other receivable</b>				
Other receivable	7,979	697	-	-
Advance for construction	6,694	21,500	-	-
Prepaid expenses	3,079	2,752	1,260	1,112
Others	17,195	3,831	586	752
<b>Total other receivable</b>	<b>34,947</b>	<b>28,780</b>	<b>1,846</b>	<b>1,864</b>
<u>Less Provision for doubtful debt</u>	(7,979)	-	-	-
<b>Trade other receivable - net</b>	<b>26,968</b>	<b>28,780</b>	<b>1,846</b>	<b>1,864</b>
<b>Total trade accounts receivable</b>				
<b>and other receivable - net</b>	<b>115,536</b>	<b>132,369</b>	<b>18,951</b>	<b>18,337</b>
<b>Change in provision for doubtful debt</b>				
Beginning balance	16,092	10,200	1,367	1,317
Increase (Decrease) during the year	9,901	5,892	329	50
Ending balance	25,993	16,092	1,696	1,367

## 7. RELATED PARTIES TRANSACTIONS

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

<u>Name of entities</u>	<u>Country of Incorporation/ nationality</u>	<u>Relationship</u>	<u>Related by</u>
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 director
Don Mueng Grand Plaza Co., Ltd	Thailand	Related company	Common shareholder and director

Balances with related parties as at December 31, 2014 and 2013 are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Accounts receivable</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	61	95
Asia Airport Hotel Co., Ltd.	-	-	258	278
Zeer Property Plc.	-	-	61	16
<b>Other receivable</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	-	12
Asia Airport Hotel Co., Ltd.	-	-	230	302

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
<b>Long-term loans to related company</b>				
<b>and accrued interest income</b>				
A.B.K. Enterprise Co., Ltd.				
- Loans	-	-	-	-
- Accrued interest income	280,329	381,640	280,329	381,640
Total	280,329	381,640	280,329	381,640
<u>Less</u> Allowance for doubtful account	(209,741)	(301,259)	(209,741)	(301,259)
Long - term loans to related company				
and accrued interest income-net	70,588	80,381	70,588	80,381

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 :

The remaining accrued interest of Baht 471.84 million as follows :

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

Installment year	Installment amount per year (Baht)
2001 - 2003	Grace year
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.

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 70.59 million as at December 31, 2014.

The detail of bank guarantees are presented as follows:

Guarantee year		Amount
From	To	(Million Baht)
August 1, 2008	December 31, 2014	15
August 1, 2008	December 31, 2015	75
Total		90

Movements of the long-term loans and accrued interest expense - related parties, before allowance for doubtful account, consisted of:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
<b>Long-term loans to related company</b>				
<b>and accrued interest income</b>				
A.B.K Enterprise Co., Ltd.				
Beginning balance	381,640	394,640	381,640	394,640
Repayment during the year	(101,311)	(13,000)	(101,311)	(13,000)
Ending balance	280,329	381,640	280,329	381,640

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements		Policy to charge the Inter company borrowing cost (%)	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Short-term loans and accrued interest expenses from related companies</b>						
Subsidiaries						
Asia Pattaya Hotel Co.,Ltd.						
- Loans	-	-	135,455	139,455	7.25	7.25
- Accrued interest expenses	-	-	118,896	108,272		
Total	-	-	254,351	247,727		
Asia Airport Hotel Co.,Ltd.						
- Loans	-	-	24,621	21,621	7.25	7.25
- Accrued interest expenses	-	-	21,953	19,999		
Total	-	-	46,574	41,620		
Total short-term loans and accrued interest expenses from related companies	-	-	300,925	289,347		

The Company has loans from 2 subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd., in form of promissory notes, which are due at call and without collateral.



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

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<b>Short-term loans</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	139,455	152,455
Increase during the year	-	-	31,500	12,000
Repayment during the year	-	-	(35,500)	(25,000)
Ending balance	-	-	135,455	139,455
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	21,621	12,621
Increase during the year	-	-	13,000	20,000
Repayment during the year	-	-	(10,000)	(11,000)
Ending balance	-	-	24,621	21,621
<b>Accrued interest expenses</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	108,271	96,967
Increase during the year	-	-	10,626	11,304
Repayment during the year	-	-	-	-
Ending balance	-	-	118,897	108,271
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	19,999	18,722
Increase during the year	-	-	1,953	1,277
Repayment during the year	-	-	-	-
Ending balance	-	-	21,952	19,999
<b>Rental prepayment</b>				
Related company				
Don Mung Grand Plaza Co., Ltd.				
Rental prepayment	129,317	124,303	-	-
Total	129,317	124,303	-	-

### Sales and purchases of goods and services

Transactions between the Company and related parties for the years ended December 31, 2014 and 2013 are summarized below:

	Unit: Thousands Baht				Pricing Policy
	Consolidated financial		Separate financial		
	statements		statements		
	2014	2013	2014	2013	
<b>Rental income</b>					
Subsidiary					
Asia Pattaya Hotel Co., Ltd.	-	-	1,200	1,200	As specified in agreement
<b>Other income</b>					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	3,284	3,495	Cost plus margin
Asia Pattaya Hotel Co., Ltd.	-	-	599	738	Cost plus margin
Zeer Property Plc.	-	-	125	111	Cost plus margin
<b>Land rental</b>					
Related company					
Don Mung Grand Plaza Co., Ltd.	22,336	22,341	-	-	As specified in agreement
<b>Interest expenses</b>					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	1,953	1,277	7.25% per annum
Asia Pattaya Hotel Co., Ltd.	-	-	10,625	11,304	7.25% per annum

## 8. INVENTORIES - NET

Inventories - net as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Restaurant				
- Food	3,651	3,747	1,667	1,569
- Beverage	1,723	1,721	946	873
- Supplies	3,561	3,121	257	193
Hotel				
- Supplies	4,445	4,461	2,360	2,196
- Operating equipment	15,437	12,864	2,116	2,671
- Reserve of operating equipment	11,784	15,034	11,784	11,957
<b>Total</b>	<b>40,601</b>	<b>40,948</b>	<b>19,130</b>	<b>19,459</b>
<u>Less</u> Allowance for impairment of inventories	(139)	(140)	(139)	(140)
<b>Inventories - net</b>	<b>40,462</b>	<b>40,808</b>	<b>18,991</b>	<b>19,319</b>

## 9. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2014 and 2013, and dividend income for years ended December 31, 2014 and 2013 are as follows:

		Unit: Thousands Baht							
		Paid-up capital		% of shared holding		Cost method		Dividend income	
Type of business		December	December	December	December	December	December	December	December
		31, 2014	31, 2013	31, 2014	31, 2013	31, 2014	31, 2013	31, 2014	31, 2013
Asia Pattaya Hotel Co.,Ltd.	Hotel	120,000	120,000	99.42	99.42	119,300	119,300	-	-
Asia Airport Hotel Co.,Ltd.	Hotel	495,000	495,000	100.00	100.00	592,499	592,499	-	-
Zeer Property Plc.	Shopping Complex for rent	225,000	225,000	94.85	94.85	428,794	428,794	106,706	64,024
Total						1,140,593	1,140,593	106,706	64,024

At the Board of Directors' meeting No. 3/2014 held on August 8, 2014, the subsidiary, Zeer Property Plc., approved to pay an interim dividend from operating result of six-months year (January – June 2014) at the rate of Baht 0.20 per share for 225 million shares, totaling Baht 45 million. The dividend was paid on September 8, 2014.

At the ordinary shareholders' meeting No. 1/2014 held on April 21, 2014, the subsidiary, Zeer Property Plc., passed a resolution to pay dividend from operating result of the year 2013 (excluding gain on fair value adjustment on the investment property) to shareholders at the rate of Baht 0.45 per share for 225 million shares, totaling Baht 101.25 million. The Company paid interim dividend at the rate Baht 0.15 per share, totaling Baht 33.75 million. The remaining dividend was paid on May 14, 2014 at the rate Baht 0.30 per share, totaling Baht 67.50 million.

At the Board of Directors' meeting No. 7/2013 held on November 12, 2013, the subsidiary, Zeer Property Plc., approved to pay an interim dividend from operating result of six-months year (January – June 2013) at the rate of Baht 0.15 per share for 225 million shares, totaling Baht 33.75 million. The dividend 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 year January 1, 2012 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.

#### 10. LONG-TERM INVESTMENTS WITH OTHER COMPANIES

		Unit: Thousands Baht							
		Paid-up shared capital		% of shareholding		Cost method		Dividend income	
Type of Business		December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
		2014	2013	2014	2013	2014	2013	2014	2013
Jet Cat Tour Co.,Ltd.	Travelling	80,000	80,000	19.00	19.00	15,200	15,200	-	-
	<u>Less</u> Provision for declining								
	in value of investment					(15,200)	(15,200)		
	Long term investment with other company - net					-	-		

#### 11. RESTRICTED DEPOSITS WITH BANKS

Fixed deposit of a subsidiary, Zeer Property Plc. in amount of Baht 4 million was pledged to guarantee for overdraft as stated in Note 17.

## 12. PROPERTY, PLANT AND EQUIPMENT - NET

The property, plant and equipment – net for the year ended December 31, 2014, the Company and subsidiaries have following movements in the property, plant and equipment – net as follows:

Consolidated financial statements														Unit : Thousands Baht	
	Land		Land improvement	Building and building improvement and public utility system		Outside project improvement	Leasehold improvement	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										
<b>Cost</b>															
As at January 1, 2014	384,812	2,213,266	1,545	3,604,833	2,969,459	55,165	3,657	258,516	1,009,396	102,834	163,007	50,372	58,983	207,853	11,083,698
Purchase	-	-	-	80,980	-	-	-	6,920	26,921	226	2,345	5,476	6,008	741,845	870,721
Revaluated	-	-	-	-	41,510	-	-	-	-	-	-	-	-	-	41,510
Disposal	-	-	-	-	-	-	-	(1,052)	(4,314)	(72)	(2,188)	(1,158)	-	-	(8,784)
Transfer	-	-	-	-	-	(252)	-	-	-	-	-	-	-	(96,252)	(96,504)
Financial statement translation	623	151	-	320	74	-	-	-	-	-	-	-	-	-	1,168
As at December 31, 2014	385,435	2,213,417	1,545	3,686,133	3,011,043	54,913	3,657	264,384	1,032,003	102,988	163,164	54,690	64,991	853,446	11,891,809
<b>Less Accumulated depreciation</b>															
As at January 1, 2014	-	-	1,541	1,867,481	559,289	17,962	1,975	198,817	805,598	84,772	143,722	36,773	53,947	-	3,771,877
<b>Depreciation for the year</b>															
Cost	-	-	1	45,921	-	5,338	182	12,677	37,624	3,204	6,426	4,108	2,236	-	117,717
Revaluated	-	-	-	-	83,013	-	-	-	-	-	-	-	-	-	83,013
Disposed/Amortization	-	-	-	-	-	-	-	(1,048)	(4,307)	(66)	(2,185)	(1,143)	-	-	(8,749)
Financial statement translation	-	-	-	48	8	-	-	-	-	-	-	-	-	-	56
As at December 31, 2014	-	-	1,542	1,913,450	642,310	23,300	2,157	210,446	838,915	87,910	147,963	39,738	56,183	-	3,963,914
<b>Net book value</b>															
As at December 31, 2014	385,435	2,213,417	3	1,772,683	2,368,733	31,613	1,500	53,938	193,088	15,078	15,201	14,952	8,808	853,446	7,927,895
As at December 31, 2013	384,812	2,213,266	4	1,737,352	2,410,170	37,203	1,682	59,699	203,798	18,062	19,285	13,599	5,036	207,853	7,311,821

Depreciation for the years ended December 31, 2014 and 2013 are Baht 117.72 million and Baht 176.93 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, 2014 and 2013 in the amount of Baht 1,141.93 million and Baht 1,118.88 million respectively.

The Company and subsidiaries use land with its construction as collateral for loan from a banks as stated in Notes 17 and 19.

	Separated financial statements											Unit: Thousands Baht	
	Land		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									
<b>Cost</b>													
As at January 1, 2014	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
Purchase	-	-	-	-	4,030	5,364	2,543	37	128	633	-	13,666	26,401
Disposed/Amortization	-	-	-	-	-	(1,052)	(2,640)	(72)	(1,707)	(186)	-	(9,824)	(15,481)
As at December 31, 2014	159,120	1,341,840	498,879	351,191	98,277	147,419	440,586	89,324	96,426	18,020	7,137	12,518	3,260,737
<b>Less Accumulated depreciation</b>													
As at January 1, 2014	-	-	374,926	58,706	24,601	110,193	303,579	72,846	92,181	15,146	6,471	-	1,058,649
Depreciation for the year													
Cost	-	-	4,802	-	6,103	6,173	20,195	2,707	2,185	941	-	-	43,106
Revaluated	-	-	-	7,697	-	-	-	-	-	-	-	-	7,697
Disposed/Amortization	-	-	-	-	-	(1,048)	(2,640)	(66)	(1,706)	(185)	-	-	(5,645)
As at December 31, 2014	-	-	379,728	66,403	30,704	115,318	321,134	75,487	92,660	15,902	6,471	-	1,103,807
<b>Net book value</b>													
As at December 31, 2014	159,120	1,341,840	119,151	284,788	67,573	32,101	119,452	13,837	3,766	2,118	666	12,518	2,156,930
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

Depreciation for the years ended December 31, 2014 and 2013 are Baht 43.11 million and Baht 44.50 million, respectively.

Building and equipment have cost less accumulated depreciation which are fully depreciated but still in use as at December 31, 2014 and 2013 in amount of Baht 513.03 million and Baht 496.67 million, respectively.

The Company uses land with its construction as collateral for loan from a bank as stated in Note 17 and Note 19.



In calculating depreciation on the revaluation surplus on building and building improvement that the Company and subsidiaries acquired before January 1, 2011 for preparation the financial statements for the years ended December 31, 2014, the Company and subsidiaries continue 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 year 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 comprehensive 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: Thousands Baht			
	For the year ended December 31,			
	Consolidated financial statements		Separated financial statements	
	2014	2013	2014	2013
Decrease in net profit	66,410	247,726	6,158	6,158
Decrease in basic earnings per share	2.08	7.74	0.19	0.19

### 13. Reappraisal

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 are as follows:

	Unit: Thousands Baht					
	Consolidated financial statement					
	Balance as at January 1, 2014	Difference from income tax rates	Amortization during the year increase	Deferred tax liability decreased	Difference from foreign exchange rates	Balance as at December 31, 2014
Land	1,765,830	3,517	-	-	115	1,769,462
Building Construction and Public utility system	2,690,155	1,720	41,510	(8,302)	56	2,725,139
Building improvement and Construction	8,728	-	-	-	-	8,728
Total excess of revaluation surplus	4,464,713	5,237	41,510	(8,302)	171	4,503,329
Less Accumulated revaluation surplus- write off	(455,769)	(36)	(83,013)	16,619	(6)	(522,205)
Total revaluation surplus	4,008,944	5,201	(41,503)	8,317	165	3,981,124
Less Non-controlling interest -net	(106,923)	-	(342)	-	-	(107,265)
Total revaluation surplus-net	3,902,021	5,201	(41,845)	8,317	165	3,873,859

During 2014, the subsidiary – Zeer Property Plc., revalued its property according to the report of the independent appraiser. As a result, the surplus increased by Baht 41.51 million and the subsidiary changed the estimated useful life of building from 30 years to 54 years according to the appraiser report.

Unit: Thousands Baht

	Seperated financial statement			
	Balance as at January 1, 2014	Amortization during the year (Increase)	Deferred tax liability decreased	Balance as at December 31, 2014
Land	1,073,472	-	-	1,073,472
Building and construction	280,951	-	-	280,951
Total excess of revaluation surplus	1,354,423	-	-	1,354,423
<u>Less Accumulated revaluation surplus- write off</u>	(46,963)	(7,697)	1,539	(53,121)
Total revaluation surplus - net	1,307,460	(7,697)	1,539	1,301,302

#### 14. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, 2014 are as follows:

Unit: Thousands Baht

	Consolidated financial statement			Balance as at December 31, 2014
	Balance as at January 1, 2014	Movement during the year		
		Increased/Transfer	Decreased/Transfer	
<b>Cost</b>				
Computer Software	8,066	948	-	9,014
Total	8,066	948	-	9,014
<b>Accumulated amortization</b>				
Computer Software	(6,662)	(646)	-	(7,308)
Total	(6,662)	(646)	-	(7,308)
Intangible assets - net	1,404			1,706

Unit: Thousands Baht

	Consolidated financial statement			Balance as at December 31, 2014
	Balance as at January 1, 2014	Movement during the year		
		Increased/Transfer	Decreased/Transfer	
<b>Cost</b>				
Computer Software	2,666	-	-	2,666
Total	2,666	-	-	2,666
<b>Accumulated amortization</b>				
Computer Software	(2,282)	(90)	-	(2,372)
Total	(2,282)	(90)	-	(2,372)
Intangible assets - net	384			294

Amortization for the years ended December 31, 2014 and 2013 in the consolidated statement of comprehensive income are Baht 0.65 million and Baht 0.53 million, respectively and in the separate statements of comprehensive income are Baht 0.09 million and Baht 0.05 million, respectively.

## 15. DEFERRED TAX

Deferred tax as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht					
	Consolidated financial statements					
	Assets		Liabilities		Net	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Property, plant and						
equipment - revaluated	-	-	1,003,082	1,004,019	1,003,082	1,004,019
Land rental	-	-	1,914	1,868	1,914	1,868
Employee benefit obligation	(10,965)	(12,075)	-	-	(10,965)	(12,075)
Deferred income - leasehold						
rights on area	(7,912)	(7,913)	-	-	(7,912)	(7,913)
Future taxable loss	(13,081)	(50,714)	-	-	(13,081)	(50,714)
Others	(14,329)	(104,207)	-	106,725	(14,329)	2,518
<b>Total</b>	<b>(46,287)</b>	<b>(174,909)</b>	<b>1,004,996</b>	<b>1,112,612</b>	<b>958,709</b>	<b>937,703</b>
Income tax offsetting	26,892	130,339	(26,892)	(130,339)	-	-
Deferred tax (assets)						
and liabilities - net	<b>(19,395)</b>	<b>(44,570)</b>	<b>978,104</b>	<b>982,273</b>	<b>958,709</b>	<b>937,703</b>

	Unit: Thousands Baht					
	Separate financial statements					
	Assets		Liabilities		Net	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Inventories	(28)	(28)	-	-	(28)	(28)
Property, plant and						
equipment - revaluated	-	-	325,326	326,865	325,326	326,865
Employee benefit obligation	(6,094)	(5,271)	-	-	(6,094)	(5,271)
Future taxable loss	(13,081)	(29,597)	-	-	(13,081)	(29,597)
<b>Total</b>	<b>(19,203)</b>	<b>(34,896)</b>	<b>325,326</b>	<b>326,865</b>	<b>306,123</b>	<b>291,969</b>
Income tax offsetting	19,203	34,896	(19,203)	(34,896)	-	-
Deferred tax and						
liabilities - net	<b>-</b>	<b>-</b>	<b>306,123</b>	<b>291,969</b>	<b>306,123</b>	<b>291,969</b>

Income tax expense for the years ended December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income (expenses) tax for the years	(59,961)	(66,367)	-	-
Deferred income (expenses) taxes	(31,144)	9,380	(15,973)	1,501
Corporate income tax	(91,105)	(56,987)	(15,973)	1,501

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

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit before income tax	302,991	193,622	132,933	56,400
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	60,598	38,724	26,587	11,280
Non-deductible expenses by the Revenue Code	4,400	11,536	62	1,374
Allowance by the Revenue Code	(228)	-	(172)	-
Dividend income	-	-	(21,341)	-
Non-taxable income	(21,466)	(2,281)	(18,142)	(14,155)
Unused tax loss	21,118	-	-	-
Net loss in current year				
are not recognized as deferred tax	16,421	-	12,376	-
Inter-company transactions	(5,052)	-	-	-
Tax expense in prior period	-	8,978	-	-
Reversal of deferred tax assets	24,968	-	16,604	-
Reversal of deferred tax liabilities	(11,548)	-	-	-
Difference from income tax rate	1,894	30	-	-
Income tax expense	91,105	56,987	15,974	(1,501)
The average effective tax rate	30%	29%	12%	(3%)

The Company and the subsidiaries used income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2014 and 2013 attributable to the Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 20% on net profit for the accounting periods beginning on January 1, 2013 to December 31, 2014. According to the Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rate will be continue at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015.

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

## 16. PREPAID RENTAL

Prepaid rental as at December 31, 2014 and 2013 are as follows:

	Unit : Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Beginning balance	297,816	274,904	33,915	33,915
Increase during year	27,350	22,912	-	-
Total	325,166	297,816	33,915	33,915
<u>Less</u> Accumulated amortization	(183,897)	(160,349)	(21,963)	(20,751)
Prepaid rental - net	141,269	137,467	11,952	13,164

Amortization for the years ended December 31, 2014 and 2013 in amount of Baht 23.55 million in consolidated financial statements and Baht 1.21 million in separate financial statements.

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.

The subsidiary – Zeer Property Plc. entered into rental agreement with Don Mueng Grand Plaza Co., Ltd.; term of agreement is 55 years.

## 17. BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Bank overdraft	18,070	41,486	11,022	19,679
Trust receipt	15,000	25,000	15,000	-
Total bank overdraft and short-term loan from financial institution	33,070	66,486	26,022	19,679

As at December 31, 2014 and 2013, the Company and subsidiaries had the credit facilities for loans as follows:

The Company: Overdrafts of Baht 41 million and promissory notes of Baht 40 million with interest rate at MLR% per annum were guaranteed by directors of the Company and by mortgaging of the land with construction of the Company and of Asia Pattaya Hotel Co., Ltd. and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.

A subsidiary—Asia Pattaya Hotel Co., Ltd.: Baht 25 million was guaranteed by directors of Asia Pattaya Hotel Co., Ltd. and by mortgaging of the land with construction of Asia Pattaya Hotel Co., Ltd. and of the Company and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.

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.

A subsidiary—Zeer Property Plc.: Overdrafts of Baht 54 million and promissory notes of Baht 50 million, with interest rate at MOR-1.00% per annum, were guaranteed by the directors of the Company and of Don Muang Grand Plaza Co., Ltd., by mortgaging of land with construction in Zeer Rangsit Complex and at Cha-am, leasehold right on area of Zeer Rungsit, and deposits at financial institution.

## 18. OTHER PAYABLES

Other payables as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Accrued expenses	47,906	32,667	13,713	13,122
Guarantee and deposit	5,073	15,438	3,230	4,276
Advance received	19,773	2,462	85	162
VAT payable and output tax	6,592	10,048	2,614	1,957
Retention	20,954	6,050	607	584
Others	8,025	4,114	618	266
<b>Total other payables</b>	<b>108,323</b>	<b>70,779</b>	<b>20,867</b>	<b>20,367</b>

## 19. LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution - net as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Long-term loans from banks	2,172,220	1,698,442	974,000	1,044,500
<u>Less: current portion of long-term</u>				
loans from financial institutions	(160,192)	(131,679)	(76,500)	(70,500)
<b>Total long-term loans - net</b>	<b>2,012,028</b>	<b>1,566,763</b>	<b>897,500</b>	<b>974,000</b>

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 of 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-1.50% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023.

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-1.50% 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.



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-1.50% 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.

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

- On May 25, 2012, the Company entered into the loan agreement with the financial institution in facility of Baht 950 million for supporting the construction Zeer II and for supporting Apartment Project in facility of Baht 50 million .The first three years bear interest rate at MLR - 1.50% per annum, the fourth - seventh years at MLR - 1.00% per annum and the eighth year onwards at MLR - 0.05% per annum. The principal is paid on quarterly basis.( 44 periods) and its interest is paid on monthly basis. The repayment must be completed within September 2026.

Long-term loan was guaranteed by the partial of land leasehold right from a related company with its construction in Zeer Rangsit Building and guaranteed by a related company and some directors of the Company.

Under the loan agreement term, the subsidiary has to maintain the D/E Ratio not exceed 2:1 and DSCR Ratio not lower than 1.1:1

- 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.
- 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 1st – 2nd year and at MLR per annum for the third year onwards, commencing in April 2011 and will be completed in March 2021.
- 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.

## 20. EMPLOYEE BENEFIT

The Group has defined benefit plan in accordance with severance payment under the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last salary.

Movements of the present value of employee benefits obligation for the years ended December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Employee benefit obligations at beginning				
as at January 1,	60,376	55,311	26,356	24,369
Employee benefit expenses in the statements				
of comprehensive income:				
Service cost from hotel business	2,848	3,263	1,705	1,807
Cost of rental and service	954	478	-	-
Selling and administrative expense	5,123	4,112	2,766	1,602
Actuarial (gain) loss	(12,134)	-	1,400	-
Employee benefits paid	(2,389)	(2,788)	(1,755)	(1,422)
Employee benefit obligations at ending				
as at December 31,	54,778	60,376	30,472	26,356

Actuarial gain and loss are recognized as other comprehensive income and loss.

Employee benefit obligations in the statement of financial position as at December 31, 2014 and 2013 consisted of:

	Unit: Thousands Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2014	2013	2014	2013
Present value of obligation	54,778	60,376	30,472	26,356
Fair value of plan assets	-	-	-	-
Employee benefit obligations in the statements of financial position	54,778	60,376	30,472	26,356

Principal actuarial assumptions as at December 31, 2014 (expressed as weighted averages) as follows:

	(Percentage/Year)	
	Consolidated financial statements	Separate financial statements
Discount rate at December 31, 2014		
For monthly employees	3.44 - 3.59	3.44
For daily employees	3.52	3.44
Monthly salary increases in the future		
For monthly employees	4.00	4.00
For daily employees	4.00	4.00
Mortality rate	As Mortality Table 2008	As Mortality Table 2008

## 21. GUARANTEE FOR RENTAL

Guarantee for rental as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Asia Hotel Plc.	11,451	9,472	11,451	9,472
Asia Airport Hotel Co., Ltd.	832	858	-	-
Asia Pattaya Hotel Co., Ltd.	212	212	-	-
Zeer Property Plc.	159,332	148,739	-	-
Total	171,827	159,281	11,451	9,472

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

## 22. DEFERRED INCOME – LEASEHOLD RIGHTS ON LEASED AREA

Deferred income – leasehold rights on leased area as at December 31, 2014 and 2013 are as follows:

	Unit: Thousands Baht	
	Consolidated financial statement	
	December 31, 2014	December 31, 2013
Deferred income-leasehold rights on lease area	223,922	223,921
<u>Less</u> Accumulated amortization	(166,886)	(159,656)
Deferred income-leasehold rights on lease area	57,036	64,265
<u>Less</u> Current portion	(8,278)	(8,278)
Net	<u>48,758</u>	<u>55,987</u>
Deferred income is recognized as revenue as follow :		
Within 1 year	8,278	8,278
Over 1 year but not over 5 years	27,866	33,113
Over 5 years	20,892	22,874
Total	<u>57,036</u>	<u>64,265</u>

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.

## 23. LEGAL RESERVE

Under the provisions of the Public Company Limited Act B.E. 2535, the Company is required to set aside as legal reserve at least 5% of its net income at each dividend declaration until the reserve reaches an amount not less than 10% of the authorized common share capital. The legal reserve is not available for dividend distribution.

## 24. DEIVIDEND PAYMENTS

The Board of Director meeting No. 10/2014 held on August 14, 2014 approved to pay an interim dividend for operating result from January 1, 2014 to June 30, 2014 at the rate of Baht 2.00 per share totaling Baht 64 million. The shareholders' names who have right to receive dividend will be determined on September 1, 2014 and the collection of name lists under Section 225 of Securities and Exchange Acts was based on register book closing on September 2, 2014. The dividend payment is dated on September 12, 2014.

The annual shareholders' meeting No. 52 held on April 21, 2014, the shareholders passed the resolution to pay dividend for operating result from January 1, 2013 to December 31, 2013 at the rate of Baht 2.00 per share totaling Baht 64 million. The shareholders' names who have right to receive dividend will be determined on April 28, 2014 and the collection of name lists under Section 225 of Securities and Exchange Acts was based on register book closing on April 29, 2014. The dividend payment is dated on May 16, 2014.

The annual shareholders' meeting No. 51 held on April 30, 2013, the shareholders passed the resolution to pay dividend 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 payment commenced on May 29, 2013.

## **25. COMMITMENTS AND CONTINGENT LIABILITIES**

As at December 31, 2014 and 2013, the Company and subsidiaries had the contingent liabilities, as follows:

25.1 Letters of guarantee issued by banks are as follows:

25.1.1 The Company: in the amount of Baht 3.07 million.

25.1.2 Subsidiary – Asia Pattaya Hotel Co., Ltd.: in the amount of Baht 1.32 million.

25.1.3 Subsidiary – Zeer Property Plc.: in the amount of Baht 16.31 million.

25.1.4 Subsidiary – Asia Airport Hotel Co., Ltd.: in the amount of Baht 1.20 million.

25.2 The Company guarantees liabilities of its two subsidiaries in the amount of Baht 989.50 million and Baht 988 million respectively.

25.3 The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of Baht 2,185 million and Baht 2,187 million respectively.

25.4 The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of Baht 1,645 million.

25.5 During the year 2014, the Company had guarantee for liabilities of other two companies totaling Baht 109.11 million. As at December 31, 2014, the Company relieved the guarantee as follows:

- a) The subsidiary received a letter from the Office of The Securities and Exchange Commission (the Office) dated April 4, 2014 inquired the Company on the transactions had with a company whereby the Company guaranteed the debt of that company having with a financial institution. On August 1, 2014, the financial institution relieved the guarantee of Baht 100 million of this company for the Company. Currently, the outcome on the Office's consideration is not finalized.

- b) Another company had been default in payment of principal and interest and the creditor sued the subsidiary of Baht 20.6 million as the guarantor. The Company's management had estimated the potential damage and set up the provision for loss on guarantee of Baht 13.9 million. On August 4, 2014, the Company entered into compromise agreement with the financial institution to settle the amount of Baht 3.6 million in order to relieve such guarantee obligation. Presently, the Company had settled the obligation on September 26, 2014.
- 25.6 The subsidiary – Zeer Property Plc. was sued by an insurance company on the matter of violation on sub insurance right for the total amount of Baht 0.62 million. Presently the cases are still pending in the Supreme Court.
- 25.7 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.
- 25.8 The subsidiary– Zeer Property Plc. has obligation to pay for construction project in the future as at December 31, 2014 and 2013 in the amount of Baht 216.97 million.

## 26. INFORMATION BY SEGMENT

The Group segmental information is divided into the room service, operating restaurants, rental shopping complex business and real estate development as presented in the financial statements for the years ended December 31, 2014 and 2013 as follows:

	Unit: Thousands Baht									
	Domestic						Abroad		Total	
	Room		Food and beverage		Rental and services		Rental and services			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Income from hotel business	377,261	459,089	251,462	271,495	-	-	-	-	628,723	730,584
Cost of hotel business	(246,539)	(261,979)	(191,052)	(190,948)	-	-	-	-	(437,591)	(452,927)
Income from rental and service	-	-	-	-	561,855	565,863	20,677	19,777	582,532	585,640
Cost of rental and service	-	-	-	-	(307,240)	(332,705)	(7,489)	(5,204)	(314,729)	(337,909)
Gross profit (Loss)	130,722	197,110	60,410	80,547	254,615	233,158	13,188	14,573	458,935	525,388
Others income									114,867	62,014
Profit before expense									573,802	587,402
Selling expenses									(43,546)	(40,847)
Administrative expenses									(175,180)	(208,943)
Management benefit expenses									(13,783)	(19,758)
Directors' remuneration									(3,483)	(3,591)
Reversal provision for doubtful debt - net from provision for doubtful debt									74,551	906
Bad debt									-	(2,159)
Loss on guarantee of other company									(3,600)	-
Financial cost									(105,770)	(119,388)
Profit before corporate income tax									302,991	193,622
Corporate income tax									(91,104)	(56,987)
Net profit									211,887	136,635
Attributable to										
Equity holders of the parent									200,029	130,906
Non - controlling interests									11,857	5,729
									211,886	136,635
Net Assets										
Property, plant and equipment									7,927,895	7,311,821
Other assets									531,263	541,591
Total assets									8,459,158	7,853,412



Segment information on geographic of the Company and subsidiaries as at December 31, 2014 and 2013 were as follows:

	Unit:Thousands Baht					
	Domestic		Overseas		Total	
	2014	2013	2014	2013	2014	2013
Property, plant and equipment	7,678,817	7,061,645	249,078	250,176	7,927,895	7,311,821

## 27. 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 and subsidiary paid for employee's provident funds for the year ended December 31, 2014 and 2013, in amount of Baht 6.51 million and Baht 3.97 million respectively in consolidated financial statements and Baht 3.32 million and Baht 3.52 million respectively in separate financial statements.

## 28. OTHER INCOME

Other income for the years ended December 31, 2014 and 2013 are as follows:

	Unit : Thousands Baht			
	Consolidated		Separate	
	financial statement		financial statement	
	2014	2013	2014	2013
Health club and car parking	4,025	2,416	2,406	1,834
Rental, service and electricity	43,113	41,891	40,385	38,279
Gain on exchange rate	970	2,610	619	876
Gain from sale of assets	447	410	248	157
Income on insurance compensation	46,655	-	-	-
Others	19,657	14,687	6,627	5,394
Total	114,867	62,014	50,285	46,540

## 29. EXPENSES ANALYZE BY NATURE

Significant expenses analyzed by nature for the year ended are as follows:

	Unit: Thousands Baht			
	Consolidated		Separate	
	financial statement		financial statement	
	2014	2013	2014	2013
Salaries, wages and other benefits for employee	342,741	325,382	151,540	151,649
Depreciation	117,717	176,935	43,106	44,501
Change in inventories	(346)	71	(329)	(526)
Electricity and water	222,071	213,584	38,444	37,752
Cost of foods and beverage	94,103	92,780	48,819	42,565
Repair and maintenance	36,587	37,888	6,895	4,812
Loss of the demolition of collapsed building	-	41,823	-	-

## 30. 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.

## 31. 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.

## 32. CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, excluding Non-controlling interests and also monitors the level of dividends to ordinary shareholders.

### **33. FINANCIAL INSTRUMENT**

#### **Interest Rate Risk**

Interest rate risk 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.

#### **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.

#### **Fair value of financial instruments**

The following methods and assumptions are used to estimate a fair value of each class of the Company's financial instruments.

- Financial assets are shown at estimated fair value
- Financial liabilities are shown at the book value which is considered fair value because such liabilities will be matured in short-term and long-term loan bears the floating interest rate.

### **34. IMPACT FROM FLOOD CRISIS AND FIRE**

34.1 From the severe flood crisis in Thailand in 2011, the subsidiary, Zeer Property Plc., has been affected from the damaged assets with the carrying value in amount of Baht 13.91 million. The subsidiary has insurance coverage for loss or damage from flood. The subsidiary has received partial compensation in the amount of Baht 30 million. At present, the subsidiary has filed civil lawsuits against two insurance companies to claim compensation. On November 7, 2014 the subsidiary received the compensation from the damage of Baht 3.10 million the cases are still pending in the sued.

34.2 On January 13, 2013, the subsidiary, Zeer Property Plc., had damaged properties in a small portion from fire. However, the subsidiary arranged the property insurance against loss from fire and the Company received the compensation from the damage of Baht 3.23 million in January 2015.

34.3 On March 13, 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. On April 4, 2014, the subsidiary received the compensation from the damage of Baht 43.50 million which is recorded as other income in the statement of income for the year ended December 31, 2014.

### 35. THE CHANGE IN ACCOUNTING TREATMENT ON FIXED ASSETS AND CORRECTION OF ERROR

1. According to the Board of Director Meeting No. 4/2014 of a subsidiary held on October 8, 2014, the board had a resolution to approve the change in the subsidiary's accounting treatment on the fixed assets from applying the Thai Accounting Standard No. 40 "Investment Property" to applying Thai Accounting Standard No. 16 "Property, Plant and Equipment" and restate the financial statements. This is to conform to the nature of the business and to present the information for the better decision making.
2. During the year 2014, a subsidiary has restated its financial statements regarding the account of deferred tax.
3. The Company has reclassified certain accounts in the financial statements of prior periods to conform to the presentation of the financial statements of current year.

The effects to consolidated financial position as at December 31, 2013 and January 1, 2013 and the consolidated statement of comprehensive income for the year ended December 31, 2013 are as follows:

	Unit:Thousands Baht		
	Consolidated financial statements		
	As previously reported	Adjustment and reclassification	After adjustment
<b>STATEMENTS OF FINANCIAL POSITION</b>			
<b>AS AT JANUARY 1, 2013</b>			
Investment properties	4,666,281	(4,666,281)	-
Property, plant and equipment - net	4,538,796	2,938,835	7,477,631
Deferred tax assets	58,861	(16,620)	42,241
Prepaid rental	14,377	123,726	138,103
Deferred interest expenses - land rental	15,081	(15,081)	-
Land rent payable recognised under financial lease agreements	279,112	(279,112)	-
Deferred tax liabilities	1,251,927	(236,658)	1,015,269
Retained earnings unappropriated	2,504,458	(2,488,034)	16,424
Other components of equity	2,546,524	1,453,541	4,000,065
Non - controlling interests	186,202	(54,994)	131,208

	Unit:Thousands Baht		
	Consolidated financial statements		
	As previously reported	Adjustment and reclassification	After adjustment
<b>STATEMENTS OF FINANCIAL POSITION</b>			
<b>AS AT DECEMBER 31, 2013</b>			
Investment properties	5,174,402	(5,174,402)	-
Property, plant and equipment - net	4,434,581	2,877,239	7,311,820
Deferred tax assets	60,521	(15,951)	44,570
Prepaid rental	13,164	124,304	137,468
Deferred interest expenses - land rental	10,658	(10,658)	-
Land rent payable recognised under financial lease agreements	279,112	(279,112)	-
Deferred tax liabilities	1,345,546	(363,273)	982,273
Retained earnings unappropriated	2,983,215	(2,856,379)	126,836
Other components of equity	2,517,115	1,399,255	3,916,370
Non - controlling interests	208,504	(78,643)	129,861

	Unit:Thousands Baht		
	Consolidated financial statements		
	As previously reported	Adjustment and reclassification	After adjustment
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>			
<b>FOR THE YEAR ENDED DECEMBER 31, 2013</b>			
Cost of rental and services	(237,259)	(100,650)	(337,909)
Amortized interest on land rental under financial lease	(17,344)	17,344	-
Gain on adjustment for fair value of investment properties	412,369	(412,369)	-
Other incomes	61,437	577	62,014
Administrative expenses	(209,640)	697	(208,943)
Income tax expense	(163,043)	106,056	(56,987)
Net profit for the year	<u>524,980</u>	<u>(388,345)</u>	<u>136,635</u>
Other comprehensive income (loss) :			
Difference on exchange rate from currency translation	461	12,676	13,137
Revaluation surplus - amortization	(38,457)	(92,695)	(131,152)
Income tax - component of other comprehensive income	7,691	22,085	29,776
Basic earnings per share:	15.60	(11.51)	4.09

### 36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors on February 27, 2015.

Details of Directors as of February 1, 2015

Attachment 1

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
1. Dr. Amorn Techaruvichit Vice Chairman, Age 68 years As director 33 years ago	An Honorary Doctorate of Art in Hotel Degree, Bangkok Thonburi University MBA. WORDBARY COLLEGE, L.A. USA. Certificate of Attendance DAP # 7/2004 from IOD.	70,000 (0.22%)	Uncle of Mr.Surapong Mrs.Pornpun Mrs.Oyetip	Feb.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 Company Hotel & Rest. Hotel & Rest. Hotel & Rest.
2. Mr.Surapong Techaruvichit Managing Director Appointed on 18 February,2014 Age 56 years As director 30 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 Mrs. Suvimol, Elder brother of Mrs.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. 2012 - Present Vice President Tourism Council of Thailand 2010 - Present President Thai Hotels Association 2007 - Present Board Member Thailand Convention & Exhibition Bureau 2003 - Present Vice President Hotel Standard Foundation 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. Hotel & Rest. Area Subcontract Manufacture Holding Company Hotel & Rest. Hotel & Rest.
3. Mrs.Pornpun Tanariyakul Assistant Managing Director Executive Director Age 55 years As director 14 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 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 Director and Executive Director , ASIA Hotel Public Company Limited 1992 -Feb.2014 Asst. Managing Director,Asia Airport Hotel Co., Ltd. 1988 - Feb.2014 Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Manufacture Hotel & Rest. Hotel & Rest. Hotel & Rest.

**Details of Directors as of February 1, 2015 (continued)**

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years		Type of Business
4. Mrs.Suvimol Techaruvichit Director Age 82 years As director 48 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	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. Chirman, 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.
5. Mr.Piyawudh Senapoopitaksa Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 86 years. As director 46 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.
6. Mr.Sombut Pupipathirunkul Director (Independent Director) Audit Committee Member and Nomination and Remuneration Committee Chairman Age 76 years. As director 25 years ago	Bachelor Degree in Economics Thammasart University Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	52,999 (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.
7. Mr.Suwat Dusitrojanawongse Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 69 years. As director 25 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 Feb 2009 - Present May 2008 - Present 1992 - Aug.2013 1989 - Present 1983 - Present	Nomination and Remuneration Committee Member, ASIA Director, A.B.K. Enterprise Co.,Ltd. Audit Committee Chairman, Asia Hotel Public Company Limited. Director, Asia Airport Hotel Co.,Ltd. Director, Asia Hotel Public Company Limited . Managing Director, Thepdusit Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Construction



**Details of Directors as of February 1, 2015 (continued)**

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
8. Dr. Chotima Puasiri Independent Director and Audit Committee Member Age 36 years. As director 6 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
9. Miss Sudaratana Wisnuwatanakit Company Secretary Age 56 years	Bachelor Degree in Economics Chulalongkorn University MBA., Kasetsart University CSDP no. 15/2550 , BRP 4/2010, EMT 18/2010	103,330 (0.28%)	-none-	May 2011- Present Company Secretary, Asia Hotel Public Company Limited 2011 - Present Secretary to the Board, Asia Pattaya Hotel Company Limited. 2011 - Present Secretary to the Board , Asia Airport Hotel 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. 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 February 1, 2015

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
1. Mr.Surapong Techaruvichit Managing Director Executive Director Age 56 years As director 30 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 Mrs.Suvimol, Elder brother of Mrs.Pornpun and Mrs.Oyetip	Feb. 2014 - Present Managing Director, Asia Hotel Public Company Limited Managing Director , Asia Pattaya Hotel Co.,Ltd. Managing Director , Asia Airport Hotel Co.,Ltd. 2012 - Present Vice President, Tourism Council of Thailand 2010 - Present President ,Thai Hotels Association 2007 - Present Board Member, Thailand Convention & Exhibition Bureau 2003 - Present Vice President, Hotel Standard Foundation 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 Business Hotel Business Hotel Business Hotel Business Hotel & Rest. Area Subcontract Manufacture Holding Company Hotel & Rest. Hotel & Rest.
2. Mrs.Pornpun Tanariyakul Deputy Managing Director Executive Director Age 55 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 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 52 years	Bachelor Degree in Accounting Chulalongkorn University, MBA, Sul ross States University, U.S.A.	204,066 (0.64%)	Dauther of 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

**Management Team as at February 1, 2015 (continued)**

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
4. Mr.Theerarath Techaruvichit Asst.to Managing Director Age 35 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.
5. Mr.Kriengsak Jumaree Hotel Manager Age 51 years	Bacheelor 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, Nakornchasi 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. Nominating in Process Director of Sale (Room)					
7. Miss Ganlayanee Roungrayabchai Director of Sales (Banquet) Age 43 years	Bachelor Degree in Marketing Ramkhamhaeng University	-	-none-	2014 - 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 46 years	Bachelor Degree in Accounting, Bangkok University	-	-none-	Jul 2005 - Present Financial & Accounting Manager , Asia Hotel Public Company Limited	Hotel & Rest.
9. Mrs.Sudjai Topol Acting Housekeeper Manager Age 60 years	High school Wat Sawadiwareesimaram School	6,666 (0.02%)	-none-	Jan 2014 - Present Acting Housekeeper Manager , Asia Hotel Public Co., Ltd. 2004 - Dec 2013 Senior Supervisor	Hotel & Rest.
10. Mr. Athiwat Opaswatkul Front office Manager Age 47 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.

**Management Team as at February 1, 2015 (continued)**
**Attachment 1**

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
11. Mr.Suporn Srisutanyawong F&B Manager Age 48 years	Bachelor Degree in Communication Arts Sukothai Thammathirat Open University	-	-none-	Feb.2014 - Present Food and Beverage Manager, Asia Hotel Public Co., Ltd. 2010 - 2013 Director of Food and Beverage , Dusit Princess Korat Hotel 2003 - 2010 Food and Beverage Manager, Asia Hotel Public Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest.
12. Miss Patcharanee Techaruvichit Asst. HR Manager Age 35 years	Master of Business Administration (HRM) Thammasat University	50,000 (0.16%)	Niece of Mr.Amorn	2007 - Present Asst. HR Manager , Asia Hotel Public Co., Ltd.	Hotel & Rest.
13. Miss Natcha Techaruvichit Public Relation Manager Age 34 years	Bachelor Degree : International Business Mgt. Mahidol University Master Degree in Marketing (MIM) Thammasart University	-	Daughter of Mr.Amorn	Aug 2004 - Present Public Relation Manager, Asia Hotel Public Co., Ltd.	Hotel & Rest.
14. Mr. Vaiyavuth Samakkarn Chief Security Age 57 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 69 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. Amorn	Techaruvichit	/	/, //	/, //	
2. Mr. Surapong	Techaruvichit	/, //	/, //	/, //	
3. Mrs. Suvimol	Techaruvichit	/	/	/	
4. Mr. Piyawudh	Senapoopitaksa	/			
5. Mr. Sombut	Pupipathirunkul	/			
6. Mr. Suwat	Dusitrojanawongse	/			
7. Mrs. Pornpun	Tanariyakul	/, //	/, //	/, //	
8. Dr. Chotima	Puasiri	/			
9. Pol.Maj.Gen Supchan	Manutham				X
10. Mr. Surapol	Techaruvichit				/, //
11. Mr. Tosapol	Vachiradaecha				/, //
12. AM Choomsak	Skulratana				/
13. Mr. Anant	Gatepithaya				/
14. Mr.Somboon	Fusriboon				/
15. Mr. Surayuth	Panchavinin				/
16. Mr.Ekachai	Pattaranutaporn				/
17. Mr.Theerayuth	Ruengkititru				/
18. Miss Aree	Sayasaevee				/
19. Mrs. Oyetip	Hayrabut	//, ///			
20. Mr. Theerath	Techaruvichit	//, ///			
21. Mr. Kriengsak	Jumaree	///			
22. Miss Ganlayanee	Rounggrayabchai	///			
23. Mr.Suporn	Srisutanyawong	///			
24. Miss Patcharanee	Techaruvichit	///			
25. Miss Somsri	Tangtatpongsathorn	///			
26. Miss Natcha	Techaruvichit	///			
27. Mrs.Sudjai	Topol	///			
28. Mr.Athiwat	Opaswatkul	///			
29. Mr.Vaiyawuth	Samakkarn	///			
30. Mr.Chairat	Thamvichit	///			

Remarks: X = Chairman, / = Director, // = Executive Director, /// = Management Officer  
Recruiting for new Chairman of Hotel Groups in process.

“ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ที่แสดงไว้ในเว็บไซต์ [www.sec.or.th](http://www.sec.or.th) หรือเว็บไซต์ของบริษัท [www.asiahotel.co.th](http://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](http://www.sec.or.th) or the company’s website [www.asiahotel.co.th](http://www.asiahotel.co.th)”



Bangkok  
Pattaya  
Airport  
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ASIS HOTEL GROUP