

**รายงานประจำปี 2555**  
**2012 ANNUAL REPORT**



**บริษัท เอเชียโฮเต็ล จำกัด (มหาชน)**  
**ASIA HOTEL PUBLIC COMPANY LIMITED**

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## Message from Chairman

The economic situation of Thailand in 2012 has been recovered since the big flood at the end of 2011 under the government's policy to put the country back to normal and be ready for AEC in the next 2 years. During 2012 the number of tourists entered the country has reached 20.3 million people, increased from the previous year 3.07 million people or 15.98%. They are mainly from Asian countries – China, Malaysia, Russia, Japan, Korea, Singapore and Australia. For those from Europe and America are smaller amount. The highest income generating is from China then Russia and Australia. In 2012 the country generated revenue from tourism total Baht 968,247 million which increased from the previous year by 27.24% (from Tourism Authority of Thailand). Since the tourism is the main income generator for Thailand the government needs to provide security and safety and promote the tourism activities in all regions to attract both Thai and foreign tourists resulting the continuous and sustainable economic growth and social development.

In year 2012 the Company and subsidiaries earned the revenue from hotel business of Baht 617.49 Million and the revenue from shopping center business of Baht 537.20 Million, the total revenue from both businesses is Baht 1,154.69 Million. When comparing to the revenue of the previous year, it was increased of Baht 247.17 Million or 27.24%. This year, the Company and its subsidiaries earned the net profit from the total business of Baht 176.53 Million while in 2011 they earned the net profit of Baht 58.58 Million which was increased from the previous year 117.95 million Baht. The company tried to control the higher expenses for the best benefit of the shareholders.

Besides that the Company also has the operation plan for the year 2013 of the estimate income to be higher than the previous year and will monitor it to achieve the goal. Also follow up on the subsidiary company, Zeer Rangsit, Pathumthani, both project 1 and 2 owned by the Zeer Property Public Co., Ltd. The construction of project 2 has started since the end of 2012 and expected to complete in 2014 to support the community growth of the North Bangkok.

Finally, the Company hopes that in 2013 we will be ready for coping with obstacles, crises and problems and makes the plans to achieve the goal. We will be ready for providing the best services to clients, giving good return to shareholders and doing activities that generate benefit to society and environment. However, a key to success is the cooperation of all employees in every level, patronizing clients and shareholders. I on behalf of the Board of Directors would like to thank you very much for your good cooperation and support all the time to the Company.



*Kumpol Techaruvichit*  
Chairman

# 1. Company Profile

## 1.1 Company Highlights

Asia Hotel Public Company Limited ("ASIA") is engaged in hotel and restaurant business by operating Asia Hotel which is located on 296 Phaya thai Rd., Bangkok 10400, telephone number 022170808, fax number 022152645. Home Page: <http://www.asiahotel.co.th>. The Company registered as Public Limited Company No. 0107535000346 with Baht 500,000,000 authorized share capital consisting of 50,000,000 common shares with par value of Baht10 each while having the issued and paid-up capital of Baht 320,000,000 consisting of 32,000,000 fully paid shares. Asia has listed on the Stock Exchange of Thailand since 29 September 1989.

## 1.2 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"<br>(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"<br>(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"<br>(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"<br>(Subsidiary Company)<br>By ZP | 165 Rungsit-Nokornnayok Rd. Prachatipat, Pathumthani       | Real Estate                               | Ordinary Shares | 1.0                     | 10,000             | 96.99%           |
| Zeer Oversea LLC"ZO"<br>(Subsidiary Company)<br>By ZP      | 2662 22 <sup>nd</sup> Avenue San Francisco, CA., USA 94116 | Shopping Mall for Rent                    | Ordinary Shares | US\$ 100,000            | 94,000             | 94.00%           |

Remarks: ZP has established two subsidiaries, Zeer Asset Co., Ltd and Zeer Oversea LLC., holding the ordinary shares of 96.99% and 94.0% respectively, resulting ASIA hold the shares indirectly.

### 1.3 Parties of References

#### Shares

##### Registrar

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

##### Auditor

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

##### Legal Advisor

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

## 2. Summary of Financial Information

### 2.1 Consolidate Performance

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

Unit: Million Baht

|                                       | <u>2012</u> | <u>2011</u> | <u>2010*</u> |
|---------------------------------------|-------------|-------------|--------------|
| Income from hotel business            | 617.49      | 461.69      | 435.39       |
| Rental and Service Income             | 537.20      | 445.34      | 493.72       |
| Total Revenues                        | 1,154.69    | 907.52      | 929.11       |
| Gross Profit                          | 474.42      | 321.67      | 410.19       |
| Other Income                          | 97.57       | 92.32       | 263.23       |
| Earning before interest and tax- EBIT | 355.79      | 235.05      | 486.89       |
| Net Profit (Loss)                     | 176.53      | 58.58       | 324.50       |
| Net profit (loss) per shares-EPS      | 5.52        | 1.85        | 10.81        |

#### Summary Status

|                      |          |          |          |
|----------------------|----------|----------|----------|
| Total Assets         | 9,533.88 | 8,834.12 | 7,941.11 |
| Total Liabilities    | 2,620.57 | 2,617.70 | 2,449.83 |
| Shareholders' Equity | 6,913.31 | 6,216.42 | 5,491.28 |

### 2.2 Financial Ratio

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

|  | <u>2012</u> | <u>2011</u> | <u>2010*</u> |
|--|-------------|-------------|--------------|
| Gross Profit Margin (%)                  | 41.09       | 35.44       | 44.15        |
| Net Profit (loss) Margin(%)              | 14.10       | 5.86        | 27.22        |
| Return on Assets (%)                     | 1.92        | 0.70        | 5.18         |
| Return on Equities (%)                   | 2.69        | 1.00        | 8.02         |
| Debt on Equity –D/E (times)              | 0.38        | 0.42        | 0.45         |
| Book Value per share (Baht)              | 216.04      | 196.18      | 182.91       |
| Weight average number of common shares** | 32,000,000  | 31,686,504  | 30,021,870   |

Remark : \* The adoption of new accounting standard effects to financial statements by revising standard retrospectively and restate comparative information. The effects to the financial statements as at December 31, 2010.

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

### **3. Nature of Business**

#### **3.1 Background**

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

#### **Types of Services**

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

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

- 1.1) Accommodation with total 601 rooms , average room rate is between 1,500-2,700 Baht and occupancy rate is between 48.36-78.31% in the year 2012
- 1.2) Food and Beverage Services , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
  - 4 Restaurants and Coffee Shop, capacity 80-250 persons
  - 11 Banquet Rooms with the different sizes , for service customers such as seminar of government department and the private company , birthday party, wedding party , retirement party and etc. , there are 5 rooms with capacity 20-50 persons, 4 rooms with capacity 100-300 persons , 1 room with capacity 600 persons and 1 room with capacity 1,500 persons
- 1.3) Other services consist of:
  - Health club
  - Two swimming pools on the 5<sup>th</sup> and 12<sup>th</sup> floor
  - Shops for rent
  - Others services such as The Playhouse Show, Souvenir- Gift Shop, Fortune Teller, Internet Center, Executive Center

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

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

- 2.1) Accommodation with total 320 rooms, average room rate is between 1,400-2,500 Baht and occupancy rate is between 47.63-92.42% in the year 2012.
- 2.2) Food and Beverage Service , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
  - 5 Restaurants and Coffee Shop, capacity 50 - 200 persons and Poolside Bar
  - 6 Banquet Rooms with the different sizes , for service customers such as seminar of government department and the private company, there are 4 rooms with capacity 50-120 persons, 1 room with capacity 350 persons , 1 room with capacity 700 persons

- 2.3) Other Services consist of
- Shop for rent
  - Beauty Salon
  - Health Club
  - Thai Massage – Foot Massage
  - Nine Hole Golf Course
  - Tennis Court
  - Swimming Pool
  - Internet Center

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

Asia Airport Hotel is on 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 482 rooms, consist of
- Hotel 394 rooms, average room rate is between Baht 1,300 - 2,200 and Occupancy rate is between 29.32% - 61.65% in the year 2012
  - Service Apartment of 84 rooms, Average rental rate is between Baht 26,400 - 31,400 per month Occupancy rate is between 27% - 41% in the year 2012.
- 3.2) Food and Beverage Service, available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:
- 1 Restaurant and Coffee Shop, capacity at 50 - 200 persons
  - 6 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 3 rooms with capacity 100-200 persons, 1 room with capacity of 150-300 persons, 1 room with capacity of 300-500 persons, 1 room with capacity of 500-800 persons
- 3.3) Other Services consist of
- Beauty Salon
  - Swimming Pool

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

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

- 4.1 Accommodation with total 214 rooms, First Opening in December 2010, average room rate is between Baht 1,400 - 2,500 and Occupancy rate is between 17.48% - 36.92% in the year 2012.
- 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
  - 7 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 1 rooms with capacity 85-90 persons, 4 rooms with capacity of 100-200 persons, 1 room with capacity of 250-300 persons.
- 4.3 Other Services consist of Fitness, Sauna, Swimming Pool



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

ZEER Property (Public) Co., Ltd. operates a business in developing and managing a shopping mall and developing real property on Vipavadee-Rangsit Road, Km. 28 – 29, Khukhot Subdistrict, Lumlukka District, Pathumthani Province. The company owns a large shopping complex, ZEER Rangsit Shopping Mall, which is classified as IT and electronic center. Within the complex there is a mixed-used development providing hotel, shopping center and serviced apartment. The building has the total area of 273,960 sq.m. (including shopping center, hotel and serviced apartment). The total space for rent is approximately 134,902 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 3,600 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 2012 IT Zeer Center was occupied about 88% 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) Asia 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”.

### **2) Shopping Center at Glendale Project (abroad investment)**

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

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

### 3.2 Revenues Structure: Hotel and Restaurant Business

| Type of Business             | Operated by  | % of Share Held | 2010          |              | 2011          |              | 2012            |              |
|------------------------------|--|-----------------|---------------|--------------|---------------|--------------|-----------------|--------------|
|                              |  |                 | MB            | %            | MB            | %            | MB              | %            |
| - Hotel                      | Asia Hotel Public                                      | Parent Company  | 128.38        | 13.82        | 140.17        | 15.53        | 179.23          | 15.52        |
| - Restaurant                 | Company Limited  | Listed Company  | 104.88        | 11.29        | 114.18        | 12.64        | 125.92          | 10.91        |
| <b>Total</b>                 |  |                 | <b>233.26</b> | <b>25.11</b> | <b>254.35</b> | <b>28.17</b> | <b>305.15</b>   | <b>26.43</b> |
| - Hotel                      | Asia Pattaya Hotel                                     | 99.42%          | 64.51         | 6.94         | 70.83         | 7.84         | 85.17           | 7.37         |
| - Restaurant                 | (Subsidiary Company)                                   |                 | 28.04         | 3.02         | 33.06         | 3.67         | 44.06           | 3.82         |
| <b>Total</b>                 |  |                 | <b>92.55</b>  | <b>9.96</b>  | <b>103.89</b> | <b>11.51</b> | <b>129.23</b>   | <b>11.19</b> |
| - Hotel                      | Asia Airport Hotel                                     | Direct 100%     | 66.04         | 7.10         | 62.36         | 6.90         | 110.17          | 9.54         |
| - Restaurant                 | (Subsidiary Company)                                   |                 | 43.54         | 4.69         | 41.09         | 4.55         | 72.94           | 6.32         |
| <b>Total</b>                 |  |                 | <b>109.58</b> | <b>11.79</b> | <b>103.45</b> | <b>11.45</b> | <b>183.11</b>   | <b>15.86</b> |
| Area Subcontracting Business | Zeer Property Public Co., Ltd.<br>(Subsidiary Company) | Direct 94.85%   | 493.72        | 53.14        | 441.34        | 48.87        | 537.20          | 46.52        |
| <b>Total</b>                 |  |                 | <b>493.72</b> | <b>53.14</b> | <b>441.34</b> | <b>48.87</b> | <b>537.20</b>   | <b>46.52</b> |
| <b>Grand Total</b>           |  |                 | <b>929.11</b> | <b>100.0</b> | <b>903.03</b> | <b>100.0</b> | <b>1,154.69</b> | <b>100.0</b> |

### 3.3 Changes in the Past Year

- As the Meeting of Board of Directors of Asia Hotel Public Company Limited (ASIA) No. 10/2011 held on October 13, 2011 authorized ZEER to invest in phase 2 of Zeer Property which consists of a 3-storeyed building plus the basement, total of 4 stories, with parking space for approximately 500 cars by allowing the construction period approximately 24 months and an apartment building project 2 which is 7-storeyed building by allowing the construction period approximately 30 months. The update information on the construction of both projects are that the foundation has been started and expecting to complete and open for service by the end of 2014.

## 4. Risk Factor

### Risks from External Factors

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

In 2012 there was no unrest situation in Thailand and the company's business was not affected from the negative factors. In the 4<sup>th</sup> quarter a large number of tourists especially from China visited Thailand and Asia Hotel group has generated more revenue from them. If the political situation is stable there should be more tourists coming in, however, the political fluctuation is still considered our risk factor.

- *Risk to the Global Economic Recession*

The subprime crisis of United States of America has had impact on Europe and the world economy resulted a decline on number of European guests. The Asia Hotel Group tried to reduce the risk by opening more of the Asian markets, eg. Korean and Chinese, in 2012.

- *Risk from the Government Policy*

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

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

- *Risk from Natural Disasters*

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

## **Risk from Business Operation**

- ***Risk from shortage of efficient service labor***

The company is presently encountered the problem of lack of efficient staff due to the number of competitors in hotel business and restaurant has been increased. Last year turn over rate was quite high and the company had a hard 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.

- ***Risk of the Subsidiary Company (Zeer Property Public Co., Ltd.) might not be approved to be listed in the Stock Exchange of Thailand***

As the Asia Hotel Public Company Limited holds 94.85% of shares of Zeer Property Public Company Limited (ZP), now the subsidiary company is in the process of submitting application to the Securities and Exchange Commissions for listed company in the Stock Exchange of Thailand and selling shares of subsidiary company to the public in an initial public offering (IPO). Now, it is in the process of considering acceptance of the property of subsidiary company.

The result of being approved or not would make an impact on a large funding which is still at risk.

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## 5. The structure of shareholders and management.

### 5.1 Shareholders

Asia Hotel Public Company Limited ("ASIA") with Baht 500,000,000 authorized share capital consisting of 50,000,000 common shares with par value of Baht10 each while having the issued and paid-up capital of Baht 320,000,000 consisting of 32,000,000 fully paid shares. As at the closing dated 1 October 2012. There are 827 Thai persons and 17 foreigner persons, totaling 844 shareholders, foreigner proportion is 30%

#### ***(A) Details of Top-Tenth Major Shareholders as at the latest closing dated for The Company share transfer (1 October 2012)***

| No. | Name                          | No. of Shares Held | % of Share Held |
|-----|-------------------------------|--------------------|-----------------|
| 1   | A.B.K. Enterprise Groups.     | 15,745,996         | 49.21           |
| 2   | Mrs. Pornpun Tanariyakul      | 3,572,775          | 11.16           |
| 3.  | Mr.Kobsak Jarurungsan.        | 1,001,494          | 3.13            |
| 4.  | Mr.Somsak Komvutichai         | 871,900            | 2.72            |
| 5.  | Mr. Soh Chee Yong             | 765,000            | 2.39            |
| 6.  | Mr. Vichai Tiya Wongmana      | 675,000            | 2.11            |
| 7.  | Mr. Wutimate Lertvilai        | 652,999            | 2.04            |
| 8.  | Mr. Viratch Archavakulthep    | 552,100            | 1.73            |
| 9.  | Mr. Wichai Arunkamolsri       | 539,600            | 1.69            |
| 10. | Bangkok Bank Public Co., Ltd. | 500,000            | 1.56            |
|     | <b>Total</b>                  | <b>24,876,864</b>  | <b>77.74</b>    |

Remarks : #Details of A.B.K. Enterprise Groups: A.B.K. Enterprise Co., Ltd., holding company held 46.33%, Pattaya Hotel Trading Co., Ltd. held 1.12% and Mr. Kumpol Techaruvichit held 1.76%

: 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***

As at December 31, 2012 Techaruvichit group, who is a current executive of ASIA, holds direct shares of the company of 15.43% 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 62.89% as follows:

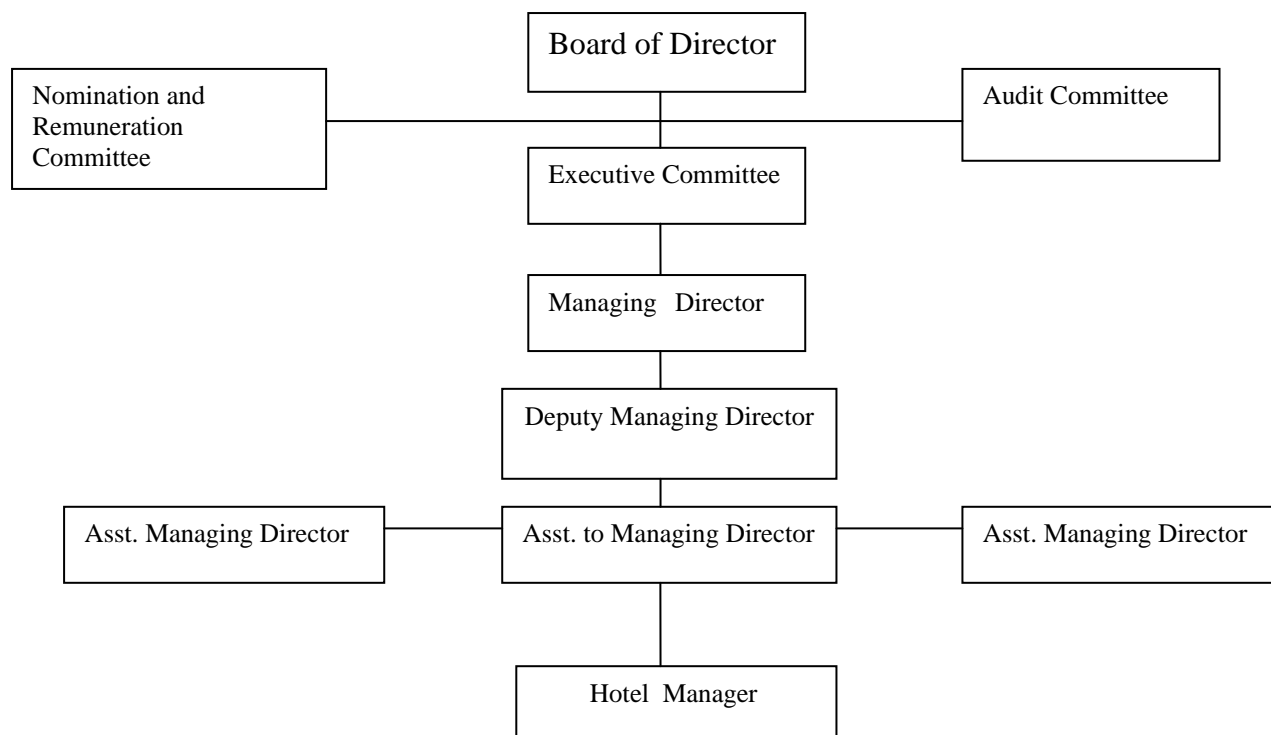
A.B.K. Enterprise Company Limited is a Holding Company, 33.53% of shares are held by Techaruvichit Group, the executive of ASIA.

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

## 5.2 Management

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

### 5.2.1 The management structure.



- **Board of Directors** – nominated by the nomination and remuneration committee through the executive committee to get approval and appointed by 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.

#### Appointment of Company Director

- A) The ratio of directors who will represent each group of shareholders is not fixed, it depends on resolution of the Shareholder meeting.
- B) 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).
- C) 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.

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 prepare the annual report of conflict of interest of director and related person or changing item in the report within 30 days , this report will be kept by the company secretary

**- 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. The term of office of the committee member is three years. The committee members may be re-appointed for another term.

In the year 2012 their term ended in May 2012 after three years in the office (2009 – 2012) the 5<sup>th</sup> Board of directors meeting held on 14 May 2012 has re-appointed three committee

back to the office and appointed Dr. Chotima Puasiri, the independent committee to be audit committee, total 4 members in the new audit committee who will be in the office for 3 years.

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.



### **- 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.

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

Responsibilities of the Nomination and Remuneration Committee as follows:

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

### **- 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.

- **Secretary of the Company** appointed since August 2008 has responsibilities to coordinate 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.

### ***5.2.2 Selection of committees and executives.***

#### **Selection of committees**

At present, the Company appointed Nominating Committee and set remuneration. Nominating Committee will be responsible for supporting the Good Governance Policy, selecting directors and proposing to the Board of Directors Meeting for consideration before proposing to the General Shareholders Meeting for Approval.

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 made to the Secretary of Board of Directors for the 2013 Ordinary Shareholder Meeting within December 2012. 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.

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.

#### **Qualifications of Independent Directors are as follows:**

- Hold shares of not more than 1.00% of the voting shares of the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company, including shares held by related persons of such independent director.
- Must not be nor have ever been a director with participation in management, a hired worker, an employee, an advisor with fixed salary, or a person control over the company, subsidiaries company, associated company, the same level of subsidiaries, major shareholders or a person control over the company unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring including spouse of offspring of an executive or major

shareholder, controlling person or person who will be nominated as executive or controlling person of the Company and subsidiary companies.

- Must not have nor ever had any business relationship with the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company, to the extent that may obstruct the using of his/her independent discretion, and is not nor ever have been a shareholder or controlling person with business relationship with the company, holding company, subsidiaries company, associated company, major shareholder or controlling person unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not have nor ever been an auditor of the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company and is not major shareholder, controlling person or a managing partner of the audit firm where the auditors of the company, holding company, subsidiaries company, associated company, major shareholder are working for unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not have nor ever been a provider of any professional service, including legal consultant of financial consultant, with the remuneration in excess of Baht 2 million per annum from the company, holding company, subsidiaries company, associated company, major shareholder or person control over the company and is not major shareholder, controlling person or a managing partner of such professional service provider, unless having been relieved from such title for not less than 2 years before the date of appointment.
- Must not be a director appointed as the representative of the Company director, major shareholder or any shareholder who are connected persons of the major shareholder.
- Must not operate the similar business that will compete with the business of the company or its subsidiaries or not holding shares or be a committee member, employee, staff, consultant with salary or holding more than 1% of other company's or its subsidiaries' shares with the similar business and competition.
- Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the company.
- Independent Directors may be assigned by Board of Directors to make a collective decision regarding the business operation of the Company, major company, subsidiary companies, affiliated companies and sub-companies at the same level or juristic persons that may have conflicts.
- Disclose information of being independent director of other group of companies including remuneration obtained from the group in the form 56-1 and annual report (remuneration from each individual company is not required)

**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.

## Selection of executives

The staff executive will consider selecting and screening the suitably-qualified persons for appointment to be placed in the capacity of the executive, in the manager level and to be approved by the management.

## Executives

List of names and positions of company committee, executive committee and executives of Asia Hotel Public Company Limited. as of 31 December 2012, as per the following details.

### Board of Directors presently consists of 9 members

|                 |                   |                                 |
|-----------------|-------------------|---------------------------------|
| 1. Mr. Kumpol   | Techaruvichit     | 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    | Dusitrojjanawogse | Director (Independent Director) |
| 9. Dr. Chotima  | Puasiri           | Director (Independent Director) |
| Miss Sudaratana | Wisnuwatanakit    | Secretary to the Board          |

*Remarks : There were 10 members of the Board , Mr. Surapol Techaruvichit has resigned from Director on 22 March 2012. There are presently 9 members of the board.*

## Authorized Directors

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

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

## 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.

**Company Secretary**

Miss Sudaratana Wisnuwatanakit

**Audit Committee**

|                 |                  |                                 |
|-----------------|------------------|---------------------------------|
| 1. Mr. Suwat    | Dusitrojanawogse | 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.*

**Nomination and Remuneration Committee**

|                 |                  |                                 |
|-----------------|------------------|---------------------------------|
| 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                       |

**Executive Committee**

|                 |               |                                    |
|-----------------|---------------|------------------------------------|
| 1. Mr. Kumpol   | Techaruvichit | Chairman of the Executive Director |
| 2. Mr. Amorn    | Techaruvichit | Executive Director                 |
| 3. Mr. Surapong | Techaruvichit | Executive Director                 |
| 4. Mr. Pornpun  | Tanariyakul   | Executive Director                 |

**Management Team**

|                   |                     |                                  |
|-------------------|---------------------|----------------------------------|
| 1. Mr. Kumpol     | Techaruvichit       | Managing Director                |
| 2. Mr. Amorn      | Techaruvichit       | Deputy Managing Director*1       |
| 3. Mr. Surapong   | Techaruvichit       | Assistant Managing Director*2    |
| 4. Mrs. Pornpun   | Tanariyakul         | Assistant Managing Director*3    |
| 5. Mrs. Oyetip    | Hayrabut            | Assistant to Managing Director*4 |
| 6. Mr. Kriengsak  | Jumaree             | Hotel Manager                    |
| 7. Mr. Somsak     | Theerawitpreecha    | Director of Sales                |
| 8. Miss. Somsri   | Tungstatpongsathorn | Financial & Accounting Manager   |
| 9. Mrs. Siriwan   | Boonchim            | Housekeeping Manager             |
| 10. Mr. Atiwat    | Opaswatkul          | Front Office Manager             |
| 11. Mr. Pramote   | Naksamrit           | Food and Beverage Manager        |
| 12. Mr. Chertpong | Jantawong           | Personnel Manager                |
| 13. Miss Nutch    | Techaruvichit       | Public Relations Manager         |
| 14. Mr. Chairat   | Thamvichit          | Engineering Manager              |
| 15. Mr. Vaiyawudh | Samakkarn           | Security Manager                 |

*Remarks: \*1-\*4 are the persons in the next four executive levels below the chief executive (MD) according to the regulation of the SEC.*

### 5.2.3 Remuneration and Benefits to Board and Management

In 2012, Nomination and Remuneration Committee has considered the remuneration and benefits to Board and Management, 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 as follows:

- Pay Bonus to Board of Directors at a total of Baht800,000 for operation of 2011.
- Meeting allowance per meeting time for the Chairman of Board of Directors is at 15,000 Baht, Vice Chairman is at Baht11,250 and Director is at Baht7,500 per person. If at any time, director is not available to attend the meeting, the meeting allowance will not be given. The director shall not receive shares, debentures or rights in receipt/purchase of extra shares from the company anymore.

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

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

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

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

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 Baht2,000 , Vice Chairman is Baht1,500 and Director is Baht1,000. If at any time, director is not available to attend the meeting, the meeting allowance and other bonus will not be paid.

#### ***Zeer Property Public Company Limited.***

Zeer Property Public Company Limited has appointed the nomination and remuneration committee in 2011 with duties on nominating committee, give the opinion of remunerations and proposed to the Ordinary Shareholders' Meeting through the Board of Directors. The approval for the year 2012 was made as follows:

**Meeting Allowance of Board of Directors** per meeting time: Chairman of Board of Directors is Baht15,000, Vice Chairman is Baht11,250 and Director is Baht7,500. If at any time, director is not available to attend the meeting, the meeting allowance will not be given.

**And bonus for directors** will be paid yearly by considering the operating result of the Company, performing the duties of Director. Chairman will get Baht106,000, Vice Chairman gets Baht80,000 and Director will get Baht53,200.

As at 31 December, 2012

a) Total remuneration for 10 directors: Bonus and meeting allowance # Baht 2,402,100.00

b) Total remuneration for 5 executives and management \*\*

Bonus and meeting allowance ,salary Baht 5,638,700.00

*Remark \*\* 5 Executives are MD and 4 persons in the next four executive levels below Managing Director according to the regulation of the SEC. (see page 18)*

Table shows the remuneration received by each director in fiscal year 2012

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

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

Remarks : \* Mr. Kumpol Techaruvichit and \*\* Mr. Surapong Techaruvichit have resigned from the Board of Directors committee of Zeer Property Public Company Limited, the subsidiary, on 15 March 2012 onwards.

\*\*\* Mr. Surapol Techaruvichit has resigned from Board of Directors committee of Asia Hotel Public Co, Ltd. since March 22, 2012 and resigned from Board of Directors committee of Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd., the subsidiaries, on 15 March 2012. He had received director bonus of 2011 operating result.

## 5.2.4 Governance

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 Stock Exchange of Thailand (SET) to be the management executives and acting as the directors according to the Code of Best Practice. In 2007, the Company has classified the Governance into 5 groups by using the information of the previous 15 items of the Code of Best Practice as recommended by the Corporate Governance Center of the SET as follows:

### 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 ELCID 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 starting 2009 will be added to the company's website.
3. The shareholder's meeting in 2012, The meeting documents were sent to shareholders not less than 14 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 principle so that shareholders can use these meeting information for voting, appointing or removing, defining remuneration, selecting auditor, setting auditing fee and preparing to express opinion on connected transaction of the Company and Subsidiaries which will be affected to the business operation of the Company. In each session, board of directors will express opinion on related matters and report the minute of the meeting correctly so that it can be verified by shareholders.
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 2012 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 2012 to allow enough time for the Board of Directors to consider before proposing in the shareholders meeting 2013.

On 31 December 2012, no one of shareholder propose any agenda and the person who nominating qualified persons to be director for annual general meeting for the year 2013.

7. The Company provided sufficient information of each meeting agenda in invitation letter for considering the followings:
  - 1) To consider and approve appointment of directors
 

As in 2012, the former directors were appointed, the Company enclosed personal information of persons proposed for appointment such as Title Name, Name, Age, Type of Director, Number of Shares Held, Education, Experience, Number of years appointed, stakeholder, performance while on duty, number of meeting participation of the last year and opinion given to shareholders for voting. At present, the Company has nominating committee. The nomination method will be in accordance with *Item 5.2.2*
  - 2) To consider and approve director's remuneration



The company has presently appointed the nomination and remuneration committee to consider director's remuneration. Directors have remuneration by way of meeting allowance and pension at the fix rate. Sometime, the rate changes but with a very small amount when compared with same type of industry. Management Executives have remuneration by way of salary and other benefits. Amount and type of remuneration will depend on position and duty of directors. This will be considered together with the operating result of the Company of the last year and the directors should give clear and sufficient opinion for resolution of shareholders. Remuneration information of director is shown in *Item 5.2.3 : Remuneration*.

- 3) To consider and approve the appointment of auditor and auditor fee  
 In year 2012 a former auditor and audit firm were appointed under consideration of audit committee before proposing to the Board of Directors. Audit fees of the previous and new auditors were compared, also the committee opinions were clear and sufficient enough for the resolution of shareholders.
- 4) To consider and approve dividend payment  
 As in year 2012, the Company paid no dividend from the operation of the year 2011 since the company and subsidiaries suffered a loss from the flood in 2011. The point was asked and clarified at the 2012 annual shareholders meeting as well as in the letter of invitation sent earlier.
- 5) To consider and approve other business  
 In 2012 company has a special agenda on business separation policy of Asia Hotel Group and Zeer Group. The clarification on the committee structure and type of business of the two companies were made and approved by the shareholders meeting.
8. In 2012, 8 out of 9 directors participated in the meeting together with the auditor the legal consultant and also the director of Zeer company, the subsidiary, to participate in the meeting so that when the shareholders have any questions, they can get explanation.
9. Chairman of the meeting provide opportunity to shareholders to give their opinion and have questions regarding activities and operating result in the past year and that the Company and subsidiaries expected in the future. Time is provided sufficiently and equally for example the shareholder enquired about the plans to handle the flood that might happen in 2012 or in the future. It was well explained how the company was prepared for that.
10. The Company uses card for voting in the meeting. Before starting the meeting, the secretary informs the meeting how to use the voting card. It depends on opinion of the quorum that "Agree" or "Not Agree" or "No Vote" with the opinion of directors. If any shareholders not agree or no vote, use this card and inform to the Company for deducting the vote from the total number of quorum then get the total "Agree" or "Not Agree" or "No Vote", summarize and inform the meeting. This method agreed by the meeting and the Company has applied it every meeting, especially, for the important agenda such as continuing connected transaction, acquisition and sale of asset. After getting the explanation, before voting, the secretary will inform the meeting again how to vote and if any member of the committee should conflict of interest from any agenda he will not be allowed to participate in that agenda.
11. The Company takes minute of shareholder meeting and record information and important matters such as name of directors participated, company information, name of independent financial consultants (if any) as well as summarizes the opinion and questions from shareholders, how to vote and count the vote and the meeting resolution separately by "Agree", "Not Agree" and "No Vote" for each agenda and send information to the Stock Exchange of Thailand and the registrar of Ministry of Commerce according to the law within 14 days after the meeting completed. The minute of meeting is planed to present to shareholders for giving opinion and verify through the Company's Website within 30 days 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.
13. The Company discloses information of stakeholders who related with directors, management executives and related persons to directors such as security holding (Form246-2,Form59-2), change of security holding, resigning and commencing from the date of appointment 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) Shareholders:

- The Company should provide information to shareholders and treat to shareholders equally. For the shareholders meeting, Company opens a chance for the minor shareholders to propose the meeting agenda and nominate qualified person to be directors in advance according to the specified criteria.
- Company distributes the gift vouchers for accommodations and restaurants to the shareholders to express appreciation for attending the annual meeting. Quarterly promotion brochures are sent to all shareholders listed in the latest registration book on the closing day.

### 2) 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 which is beyond the requirement by law.
- 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.
- 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).
- Provident Fund managed by Thanachart Fund Management Co., Ltd. has been provided for employees’ and executives’ security since 2011.
- The management has set up a project to benefit the employees and extended to their relatives and friends to book accommodations in all 3 hotels: ASIA Bangkok, Asia Airport and Asia Pattaya at special prices. The bookings need to be verified by Personnel Department.

- 3) **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.
- 4) **Debtors:** The Company has performed according to the condition of loan contract of every financial institute.
- 5) **Competitors:** Company supports the free trade competition policy and against destroying the competitors unethically.

- 6) **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.
- 7) **Communities:** The Company would not do any thing to damage the communities especially at the area nearby the business establishment of the Company.
- Year 2012 invited neighbors to join food offering to 108 monks. The activity is scheduled annually in April and it has been done for over 5 consecutive years.
  - At the beginning of 2013 the company joined activities with the community and schools nearby – Sammachewasil school and Kingpetch school on the National Children's Day by hosting lunch and provided some activities.
- 8) **Environment:** The Company realizes the importance of environment and engaged in many environmental projects such as
- 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 chemical and environmental friendly.
  - 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.
  - 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.
- “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
- 9) **Society:**
- In 2012, the executives and employees joined the blood donation activity with Sirirat Hospital. It is done at least once a year.
  - Company and its subsidiaries organized “Royal kathin” robe presenting ceremony at different temples yearly and invited outside people to join to help promote the Buddhism. It was recently done at Wat Sommanat Rajworaviharn, Bangkok on 18<sup>th</sup> November 2012.

### 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 9 members:
  - Management executives 4 members (Mr.Kumpol Techaruvichit, 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 9 members of directors, 4 audit committee members and 3 nomination and remuneration committee member as subcommittee and 15 members of management.

The Chairman and Managing Director is the same person. He is the representative of the major shareholders that held 46.33% of shares. He is the founder of the company who has been managing the business for more than 46 years and with his notable abilities he has been entrusted to occupy the post continuously. The responsibilities and authorized power between Chairman and Managing Director have been clearly separated.(see page 17) 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 9 members of board of directors). The company also appointed nomination and remuneration committee that is the independent committee, responsible for selecting directors and proposing to the Board of Directors Meeting, supporting the Good Governance Policy.

Selection of directors as well as defining qualification of directors and independent directors, duties and responsibilities of board of directors referred in **Item 5.2 Management; Item 5.2.1 Authorities in the Management Structure**. 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.

#### ❖ Remuneration for Directors And Management Executives

The company has policy on defining the remuneration as well as the operation result of the company and performance of each management executive. Defining the remuneration of committee, by Nomination and Remuneration Committee through the Board shall be approved from the shareholders' meeting and depending on the operation result of the company. The company has disclosed the remuneration of committee and high level of management executive in *item 5.2 Shareholding Structure and Management, item 5.2.3 the remuneration of management executive*.

#### ❖ 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. In 2012, there are totally 12 committees' meeting and the participants are as follows:

Participate/Number of meeting

| Name                         | Tenure              | Committee Meeting | Audit Committee Meeting | Nomination and Remuneration Meeting |
|------------------------------|---------------------|-------------------|-------------------------|-------------------------------------|
| 1.Mr.Kumpol Techaruvichit    | 9/4/2010-23/4/2013  | 10/12             | -                       | -                                   |
| 2.Mr.Amorn Techaruvichit     | 9/4/2010-23/4/2013  | 12/12             | -                       | -                                   |
| 3.Mrs.Suvimol Techaruvichit  | 12/4/2012-11/4/2015 | 11/12             | -                       | -                                   |
| 4.Mr.Surapol Techaruvichit*  | 9/4/2010-22/3/2012  | 3/3               | -                       | -                                   |
| 5.Mr.Surapong Techaruvichit  | 9/4/2010- 23/4/2013 | 12/12             | -                       | -                                   |
| 6.Mrs.Pornpun Tanariyakul    | 11/4/2011-10/4/2014 | 12/12             | -                       | -                                   |
| 7.Mr.Piyawudh Senapoopitaksa | 11/4/2011-10/4/2014 | 12/12             | 9/9                     | 2/2                                 |
| 8.Mr.Sombut Pupipathirunkul  | 12/4/2012-11/4/2015 | 12/12             | 9/9                     | 2/2                                 |
| 9.Mr. Suwat Dusitrojanawongs | 11/4/2011-10/4/2014 | 12/12             | 9/9                     | 2/2                                 |
| 10.Mrs.Chotima Puasiri       | 12/4/2012-11/4/2015 | 12/12             | 4/4                     |                                     |

*Remarks: Mr. Surapol Techaruvichit has resigned from the Board of Directors committee since 22 March 2012 onwards.*

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.

The meeting of audit committee according to its charter shall be arranged at least once in a quarter. In 2012, there were 9 meetings arranged by audit committee and the result of the meeting and auditing including the consideration of financial statement of the company and subsidiaries every quarterly have been reported to the board of director for making conclusion and proposing to the committees' meeting of the company.

The number of 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 Director on the suitable persons nominated for committee. Committee remuneration to be concluded and proposed to the Board of Director's meeting before proposing to the shareholders' meeting for approval.

Board of Director was evaluated in board self assessment form by each before conclusion all of the board according Corporate Governance Department from the SET. In year 2012 the result of evaluation is in level 3 which reflects that all operations have been done well. Committee who made the report of the committee have gave opinion to the financial report of auditor and already specified in the annual report. They also evaluated the sufficient of the internal control every year as well as financial control and operation, performance control, execution, risk management, emphasizing importance on the warning signal and any abnormal sign and having internal control department of the Company as shown in *Item 5.2.6 Internal Control*.

### ***5.2.5. 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.

### ***5.2.6 Internal Control***

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 hired Audit House Co., Ltd. who is an external auditor to perform the duty as Internal Auditor of the Company. The Audit House Co., Ltd. is not an auditor of the Company but has the duty as consultant and to audit, 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. They carried out their duties well from January to September 2012 and after that the company has founded its own Internal Auditor and appointed Mrs. Linda Rungfahngam as the internal auditor and carried on the work after the Audit House Co., Ltd.

The results of the evaluation found that company has sufficient and efficient internal control system. The operations have been carried out according to the rules, regulations and law 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. 2/2556 that held on 1 March 2012. The conclusion was that the Company has adequacy and suitability for internal control of the existing operation according to 5 aspects for the internal control as follows:

1. Organization and Environment: The Company has established the organization suitably and management executives were supported to operate effectively. Policy and working rules and regulations were also set clearly as well as ethical provision was conducted in writing.
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 that whether they are controllable or not to find out measures for preventing or reducing the risk and also follow up situations are causes of risk factors for evaluating the situation and tendency of the effect on the Company.

3. Operational Control of Management Executives: 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. Follow up measure was set to related transactions. all transactions must be approved according to the regulation of the SEC and SET by considering the way that best benefits the Company is always important. The Company continuously monitors the operations of subsidiaries and set the direction to the person 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 System and Communication: The Company provided effective internal and external communication, accounting and financial information system as well as the accounting policy of the Company is most suitable to the business type.
5. Follow-up System: The Company provided the measure to follow up internal control system continuously by hiring external auditor to be as internal auditor of the Company. 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 views the opinions that there are adequacy and suitability for internal control of the Asia Hotel Public Co., Ltd. to ensure the assets of the Company are well protected and secured, the accounting items are recorded suitably and the resources are utilized efficiently.

## 5.3 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.

#### Past 3 years record of dividend paid

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

### **Payment of Cash Dividend of Subsidiary Companies**

#### - *Asia Pattaya Hotel Company Limited*

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

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

#### - *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.

#### - *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.

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## 6. 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 2012, The company and its subsidiaries had 18 connected transactions as follows:-

|                               |   |
|-------------------------------|---|
| <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 45.77 Million for the year 2011<br>Baht 31.34 Million for the year 2012  |
| <b>Importance and Reasons</b> | AA had granted loan to the ASIA for supporting the operation.<br>The interest was calculated and the current interest rate is at 7.25%. |

|                              |   |
|------------------------------|---|
| <b>Name and Relationship</b> | AP, 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 246.22 million for the year 2011<br>Baht 249.42 million for the year 2012   |
| <b>Importance and Reasons</b> | AP had granted loan to the ASIA for supporting the operation. The interest was calculated and the current interest rate is at 7.25%.   |
| -----                         |  |
| <b>Name and Relationship</b>  | ASIA, a registered company and AP, a subsidiary of ASIA held share in proportion 99.42%  |
| <b>Description</b>            | Income from rental   |
| <b>Value (Million Baht)</b>   | Baht 1.20 Million for the year 2011<br>Baht 1.20 Million for the year 2012   |
| <b>Importance and Reasons</b> | AP rented the ASIA area for setting the office at the rental rate of Baht100,000/month.  |
| -----                         |  |
| <b>Name and Relationship</b>  | 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.   |
| <b>Description</b>            | It was the accrued interest receivable from debt restructuring of loan   |
| <b>Value (Million Baht)</b>   | Baht 419.84 Million for the year 2011<br>Baht 394.64 Million for the year 2012   |
| <b>Importance and Reasons</b> | 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. |
| -----                         |  |
| <b>Name and Relationship</b>  | 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)  |
| <b>Description</b>            | Made property risk insurance with the third party insurance. The period of insurance was 1 year. NSI - The insurer<br>and ASIA, AA, AP, ZP - The insured   |
| <b>Value (Million Baht)</b>   | ASIA= Baht 0.69 Million for ASIA premium :Baht 591.5 million<br>AA = Baht 0.50 Million for AA, premium: Baht 311.4 million<br>AP = Baht 0.58 Million for AP, premium: Baht460 million<br>ZP = Baht 1.25 Million for ZP, premium: Baht786.5 million   |
| <b>Importance and Reasons</b> | 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.   |
| -----                         |  |
| <b>Name and Relationship</b>  | AA, a subsidiary of ASIA held share in the proportion 100% and ZP subsidiary of ASIA (in the proportion of shares of 94.85% )  |
| <b>Description</b>            | AA rented 5 <sup>th</sup> floor area from ZP to use as function room   |
| <b>Value (Million Baht)</b>   | Baht 7.56 Million for the year 2011<br>Baht 8.47 Million for the year 2012   |
| <b>Importance and Reasons</b> | 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 2010 to 31 <sup>st</sup> March 2013 by using the same rate as the other clients in nearby area.   |
| -----                         |  |

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

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

**Value (Million Baht)** Baht 390 Million as the end year 2012

**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 ZP received from AA

**Value (Million Baht)** Baht 1.07 Million for the year 2011  
Baht 1.43 Million for the year 2012

**Necessity and Rationality** AA rented the area on ground floor and 7<sup>th</sup> floor with 3 years contract from January 1<sup>st</sup>, 2010 to December 31<sup>st</sup>, 2012 at the same rate as the other clients in the nearby area  
Later, AA cancelled the renting of 7<sup>th</sup> floor in June 2012 and cancelled the partial rental of Ground floor in September 2012 also. AA rented the area on 8<sup>th</sup> floor with area 520 square meters instead 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 1.07 Million for the year 2011  
Baht 1.17 Million for the year 2012

**Necessity and Rationality** ZP rented 6<sup>th</sup> floor area from AA with 3 years contract from January 1<sup>st</sup>, 2010 to December 31<sup>st</sup>, 2012 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 1.72 Million for the year 2011  
Baht 2.01 Million for the year 2012

**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>, 2012 to December 31<sup>st</sup>, 2012.

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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 cleaning service fee AA received from ZP

**Value (Million Baht)** Baht 2.40 Million for the year 2011  
Baht 0.47 Million for the year 2012

**Necessity and Rationality** ZP hired housekeepers from AA for cleaning service in the shopping center and pays monthly service fee to AA. The contract is 1 year from January 1<sup>st</sup> 2011 to December 31<sup>st</sup> 2011. Later, ZP cancelled hiring housekeepers from AA in February 2012 because ZP has employed its own housekeeper since March 2012 onward.

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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** Rental transaction “Asia Cha-am Hotel” running hotel business (AA is a rentee and ZP is a renter)

**Value (Million Baht)** Baht 9.2 Million for the year 2011  
Baht 12.2 Million for the year 2012

**Necessity and Rationality** ZP is the owner of property Asia Cha-am Hotel, Petchaburi Province. The bid for rental fee and managing hotel business has been made and AA has been selected to operate the hotel business by using the name “Asia Cha-am Hotel”. The 3 years rental contract includes the rental right of Baht 25 million 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. The Hotel was partially opened for service in December 2010.

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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 for parking , ZP received from AA

**Value (Million Baht)** Baht 0.37 Million for the year 2011  
Baht 0.46 Million for the year 2012

**Necessity and Rationality** 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.

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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 management service for parking income, ZP received from AA

**Value (Million Baht)** Baht 0.32 Million for the year 2011  
Baht 0.51 Million for the year 2012

**Necessity and Rationality** 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>, 2013 at the rate of first year Baht 49,022.64 per month and the second year Baht 53,925.00 per month. Later, AA move the rental area from outside the building to inside the car-park building and ZP procured 1 staff to look around the exit area, contract period of 2 years since June 1<sup>st</sup>, 2012 to May 31<sup>st</sup>, 2014. The management fee is the same rate as the other clients in the complex.

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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 held shares in ZP and DM. These directors are Mr. Surapong Techaruvichit and Mr. Tospol Vachiradecha

**Description** ZP rented the land from DM as the real property investment

**Value (Million Baht)** Baht 15.76 Million for the year 2011  
Baht 17.34 Million for the year 2012

**Importance and Reasons** It was that ZP had made subleasing the land from DM, which was the location of the ZEER project. The leasing contract period is 30 years, from year 1993-2023. The resolution of EGM in 2<sup>nd</sup> quarter of 2007 approved extension of lease agreement for another 25 years. Total remaining period is 36 years and 3 months according to TAS40 (Revised 2009)

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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. Surapol Techaruvichit and Mr. Surapong Techaruvichit) held shares in ZP and DM.

**Description** Debt guarantee transaction of ZP secured by DM

**Value (Million Baht)** Amount of Baht 1,230 Million to guarantee for credit line

**Importance and Reasons** It is a condition of Financial Institution that ZP is given a credit with DM security because ZP sub-leased the land and construction from DM and without any payment used as a guarantee.

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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

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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

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## 7. Management Analysis

### 1. Operating Results

#### Net Profit

ASIA and its subsidiaries had total revenues Baht 1,154.69 million, increased by Baht 247.17 million or 27.24% from last year which consist of revenues from hotel business in the year 2012 greater than last year increasing 33.75%. As well as the rental and service income for the year 2012 was increased 20.49% from last year. ASIA and its subsidiaries had earning before interest-tax-depreciation (EBITDA) amount Baht355.78 million which was increased Baht120.74 million or 51.37% from last year and had net profit for the year 2012 (attributable to the shareholders of ASIA) at the amount of Baht 176.53 million, which was at Baht 117.95 million higher or 201.37% from last year.

The expenses for the year 2012 compared to those of last year were as follow:- selling, administrative, and other expenses for the year 2012 were totaling Baht 216.21 million, which were Baht 37.26 million increased from last year. Finance costs for the year 2012 were at Baht 125.12 million, increasing of Baht 3.64 million. Income tax for the year 2012 was at Baht 43.77 million, increasing of Baht 1.43 million from last year.

In year 2012, Hotel Business Operation of ASIA Group returned to normal business situation and increased in the number of customers in hotel business including the banquet functions. It is considered a successful year by generating the net profit of Baht 176.53 million comparing to the last year 2011 that the operations of the whole group were affected by the flood, both in hotel business and shopping center business. The hotel rooms and banquet functions were cancelled, also the shopping center was surrounded with water. Therefore the income during October and December 2011 could not reach what was expected.

The Analysis of operating results of ASIA and its subsidiaries for year 2012 classified by revenue and expenditure as follows:

#### **Income from Hotel Business**

The Company and subsidiaries have revenue Baht 617.49 million in 2012 increased Baht 155.80 million or 33.75% from in 2011, Income from Hotel Business consists of income from room and income from restaurant, which can be analysed as follows:

##### **A. Income from Room and services:**

In 2012, the revenue from room and services was Baht 374.57 million, increased Baht 87.86 million or 30.64% from last year which was Baht 286.71 million due to occupancy for room was increased from last year, the another average room rate was slightly decreased. The occupancy rate in the year 2012 and year 2011 of each in Asia Hotel Group are as follows:

|  | <u>2555</u> | <u>2554</u> |
|--|-------------|-------------|
| Asia Hotel ,Bangkok by ASIA Hotel PLC              | 59.37%      | 49.37%      |
| Asia Pattaya Hotel by Asia Pattaya Hotel Co, Ltd.  | 64.75%      | 45.36%      |
| Asia Airport Hotel by Asia Airport Hotel Co., Ltd. | 49.43%      | 29.31%      |
| Asia Cha-um hotel by Asia Airport Hotel Co., Ltd.  | 27.50%      | 19.34%      |

According to the occupancy rate of Asia Hotel Group in 2012 increased from year 2011 resulting operating hotel business in this year greater than last year especially Asia Airport Hotel and Asia Cha-um Hotel which had increased in occupancy rate from the year 2011, resulting gross profit margin which was increased from last year due to increased hotel revenue to normal situation.

#### **B. Income from Restaurant**

In 2012, the revenue from restaurant was Baht 242.92 million, compare with 2011 was Baht 174.99 million, income from restaurant in 2012 was increased Baht 67.93 million or 38.82% from last year.

#### **Income from renting and services:**

Major income from renting and service come from Zeer Shopping Complex revenue operated by Zeer Property Public Company Limited and renting income from shops in hotel of company and subsidiaries.

In 2012, the revenue from renting and services was Baht 537.20 million, compare with 2011 was Baht 445.83 million increased Baht 91.37 million or 20.49% from last year. Due to the operation of Zeer Rangsit was normal business situation.

#### **Other Income**

Other Income consist of Interest Income, Gain on change of fair value of investment properties (Zeer's Assets), Laundry income, telephone charge, other service charges from clients and miscellaneous income.

In 2012, the other income was Baht 97.57 million, compare with 2011 that was Baht 92.32 million, increased Baht 5.25 million or 5.69% due to Zeer received income on insurance indemnity amount Baht 30 million in year 2555 caused by the severe flood in year 2011.

#### **Cost and expense from sale and service**

Main Revenues of Company and subsidiaries consist of the revenue from room and services and income from renting and service, so Cost and expense from hotel business and shopping complex include Amortized interest on land rent under financial lease

Total Cost and expense from sale and service of company and subsidiaries in 2012 and 2011 was Baht 680.27 million and Baht 585.85 million respectively, it's in 2012 increased Baht 94.42 million or 16.12% caused by increasing in cost of hotel business which vary the hotel revenue increased, which can be analyzed as follows:

##### **A) Cost of Hotel Business**

In 2012, Cost of hotel business was Baht 402.72 million compare with 2011 which was Baht 359.56 million, increased Baht 43.16 million or 12% from last year due to the increased cost of raw materials used in production and sale promotions resulting gross profit margin to be lower.

##### **B) Cost of Renting and Servicing**

In 2012, Cost of Renting and Servicing was Baht 260.21 million compare with 2011 which was Baht 210.53 million, increased Baht 49.68 million or 23.60% due to the increasing cost of land rental fee the Zeer Property had to pay according to the contract.

Also the amortized interest on land rent under financial lease, a part of cost of Renting and servicing in 2012 was Baht 17.34 million, increased by Baht 1.58 million from last year. Consequently, when including above cost of renting and servicing with interest of the land rent under financial lease the cost of renting and servicing has increased Baht 51.26 million.

## **Sales and management expenses**

In 2012, Sales and management expense was Baht 216.21 million compare with 2011 which was Baht 178.95 million increased from last year Baht 37.26 million, the reason as follows:

- The selling expenses increased from last year Baht 5.61 million or 20.17%
- The administrative expenses increased from last year Baht 21.10 million or 13.42%
- The director's remuneration expense increased from last year Baht 1.10 million or 5.33%
- In 2012, the reversal provision for doubtful debt (net form bad debt) expense was Baht 17.27 million as in 2011 the bad debt and the reversal provision for doubtful debt was Baht 26.72 million, consequently total expense in 2012 was decline from normal expense.

## **Financial Cost**

In 2012, Financial cost was Baht 125.12 million compare with 2011 which was Baht 121.48 million increased from last year Baht 3.64 million or 3% due to burden of higher interest payment which higher interest market.

## **2. Financial Status of ASIA and its subsidiaries**

### **2.1 Assets**

Company and its subsidiaries have total assets as at 31 December 2012 of Baht 9,533.88 million when compared with the total assets at the end of year 2011, amount of Baht 8,834.12 million, representing the increasing of Baht 699.76 million or equivalent to 7.92%, due to the continuous expansion and development of hotel business and investment in land of the Company and subsidiaries.

Assets of company and its subsidiaries as at 31 December 2012 was Baht 9,533.88 Million which comprised as follows :

|   | <u>Outstanding</u><br><u>MB</u> | <u>% of</u><br><u>Total Assets</u> | <u>Increase/</u><br><u>Decrease</u> |
|---|---------------------------------|------------------------------------|-------------------------------------|
| Cash and equivalents                          | 90.58                           | 0.95                               | 130.25%                             |
| Current investments                           | 0.60                            | 0.01                               | 1.69%                               |
| Trade Account receivable                      | 85.36                           | 0.90                               | 18.44%                              |
| Inventories                                   | <u>40.88</u>                    | 0.42                               | 4.37%                               |
| Total current Assets                          | <u>217.42</u>                   | 2.28                               | 43.82%                              |
| Restricted deposit with financial institution | 4.00                            | 0.04                               | (36.91%)                            |
| Long term loans- related parties              | 86.58                           | 0.91                               | (5.75%)                             |
| Investment properties                         | 4,666.28                        | 48.95                              | 3.11%                               |
| Property, Plant and Equipment-Net             | 4,538.80                        | 47.61                              | 12.36%                              |
| Intangible assets-Net                         | 1.22                            | 0.01                               | (25.61%)                            |
| Prepaid rental                                | 14.38                           | 0.15                               | 35.28%                              |
| Other non-current assets                      | <u>5.20</u>                     | 0.05                               | (28.86%)                            |
| Total non-current assets                      | <u>9,316.46</u>                 | 97.72                              | 7.30%                               |
| Total   | <u>9,533.88</u>                 | 100.00                             | 7.92%                               |



## Asset Quality

### ➤ Trade Accounts and note receivable

Company and its subsidiaries have trade accounts receivable net at the end of year 2012 of Baht 85.36 million, increasing from the end of 2011 Baht 13.29 million or 18.44%. The Company and subsidiary companies have duration for collecting debts at the average of 27 days which goes according to the credit policy of company and subsidiaries for collecting debts which is at the average of 15-30 days as details shown in the table below.

Debtor of company and 2 subsidiaries of hotel business

(unit: million baht)

| Accounts Receivable                               | December 31, 2012 | Total         |
|---|-------------------|---------------|
| Hotel and Restaurant Business                     |                   |               |
| For ASIA and AP,AA                                |                   |               |
| Not overdue account                               | 13.977            |               |
| Overdue account (1-30 days)                       | 9.801             |               |
| Overdue account (31-60 days)                      | 3.878             |               |
| Overdue account (61-90 days)                      | 4.290             |               |
| Overdue account (91-365 days)                     | 8.340             |               |
| Overdue account (over 1 year)                     | 4.433             |               |
| <b>Total</b>                                      | <b>44.719</b>     |               |
| <b><u>Less</u> Allowance for doubtful account</b> | <b>(4.433)</b>    | <b>40.286</b> |

Debtor of Zeer Property Public Co., Ltd. , shopping complex

| Accounts Receivable                               | December 31, 2012 | Total         |
|---|-------------------|---------------|
| ZP Subsidiary Company                             |                   |               |
| Account Receivable                                |                   |               |
| Not overdue account                               | 9.194             |               |
| Overdue account (1-30 days)                       | 16.201            |               |
| Overdue account (31-60 days)                      | 5.167             |               |
| Overdue account (61-90 days)                      | 2.889             |               |
| Overdue account (91-365 days)                     | 5.026             |               |
| Overdue account (over 1 year)                     | 4.222             |               |
| <b>total</b>                                      | <b>42.699</b>     |               |
| <b><u>Less</u> Allowance for doubtful account</b> | <b>(5.767)</b>    |               |
|   | <b>36.932</b>     |               |
| Post dated cheque                                 | 0.270             |               |
| Other receivable                                  | 7.872             | 45.074        |
| <b>Trade accounts and notes receivable net</b>    |                   | <b>85.360</b> |

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

A subsidiary, Zeer Property Plc. which is involved in shopping complex business provides a provision for doubtful accounts of accounts receivable - trade equal to the estimated collection losses which are based on collection experience and review of the current status of the existing receivables. In 2012, the overdue account over 180 days was provided a provision for doubtful accounts in full amount after deducting deposit. In 2011, the overdue account over 1 year was provided a provision for doubtful accounts in full amount.

## Inventories

|                                | <u>2012</u>   | <u>2011</u>   | <u>2010</u>   |
|--------------------------------|---------------|---------------|---------------|
| Food and beverage              | 4,800         | 4,887         | 3,703         |
| Supplies                       | 3,328         | 3,116         | 1,870         |
| Operating equipment            | 21,028        | 19,891        | 8,410         |
| Reserve of operating equipment | <u>11,865</u> | <u>11,415</u> | <u>17,952</u> |
| Total                          | 41,021        | 39,309        | 31,935        |
| Less Allowance for impairment  | <u>(142)</u>  | <u>(143)</u>  | <u>(133)</u>  |
| Inventories                    | <u>40,879</u> | <u>39,166</u> | <u>31,802</u> |

At the end of year 2012 Company and its subsidiaries in hotel business have inventories net amount Baht 40.88 million increasing of Baht 1.71 million or 4.37% from last year. The Company and subsidiary companies have inventory turnover ratio average 16.77 times and duration of inventories about 21 days which showed that the inventory management was good.

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

## 2.2 Liquidity

### Liquidity Ratio

|                       |       | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-----------------------|-------|-------------|-------------|-------------|
| Liquidity Ratio       | times | 0.50        | 0.39        | 0.69        |
| Quick Liquidity Ratio | times | 0.41        | 0.29        | 0.32        |

Liquidity Ratio and quick liquidity ration of the Company of the year 2012 was increased from the year 2011. This was due to the increase in cash from operating activities of Baht 51.24 million, trade account receivable was increased Baht 13.29 million, the current liabilities as at end of year 2012, was increased from last year and short-term loans and trade accounts payable was reduced from last year and enable the liquidity to increase.

### Ratio shows the ability to debt management

|                         |       | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------------------|-------|-------------|-------------|-------------|
| Debt to Equity Ratio    | times | 0.38        | 0.42        | 0.45        |
| Interest Coverage Ratio | times | 4.73        | 3.53        | 5.26        |

As at December 31, 2012 the Company and its subsidiaries had the Debt to Equity Ratio of 0.38 times comparing with last year 0.42 times. This decreased ratio was due to the company and its subsidiaries had shareholder's equity at 31 December 2012 more than debt ratio.

The Interest Coverage Ratio in 2012 of 4.73 times, compare with in 2011 was 3.53 which was higher than 2011 due to increased in cash flow from operating activities and lower interest from bank overdrafts and short term loan from financial institutions.

### Cash Flow

The Company and subsidiary companies have the details of cash flow from activities during the past 3 years as follows:

(Unite : Million Baht)

|  | <u>2012</u>    | <u>2011</u>   | <u>2010</u> |
|--|----------------|---------------|-------------|
| Net Cash Flow provided by operating activities | 423.03         | 264.82        | 360.34      |
| Net Cash Flow used for investing activities    | (148.04)       | (336.80)      | (375.14)    |
| Net Cash Flow used for financial activities    | (223.18)       | 19.67         | 20.55       |
| Net Cash Flow increased (decreased) net        | <u>(51.81)</u> | <u>52.31)</u> | <u>5.75</u> |

Cash flow of Company and its subsidiaries was compared in 2012 and 2011

In 2012, the Company had the Net Cash Flow from the operating activities of Baht 423.03 million, increased Baht 158.21 million from last year. This was due to profit from operating activities increased and net cash flow from investing activities amount Baht 148.04 million decreased from last year Baht 188.76 million due to less investment in asset from last year and cash flow from financing activities in 2012 amount Baht 223.18 million increased Baht 242.85 million from last year due to loan and interest payment to financial institution as debt restructuring contract.

### **Rate shows the ability to earn profit**

|                   |            | <u><b>2012</b></u> | <u><b>2011</b></u> | <u><b>2010</b></u> |
|-------------------|------------|--------------------|--------------------|--------------------|
| Net Profit Margin | Percentage | 14.10              | 5.86               | 27.22              |
| Return on Equity  | Percentage | 2.69               | 1.00               | 8.02               |
| Return on Asset   | Percentage | 1.92               | 0.70               | 5.18               |

From the above ratio in 2012, the Company had an ability to earn more profit with the Net Profit Margin of 14.1% of total revenue, the Rate of Return on Equity of 2.69% and the Rate of Return on Assets of 1.92%. This was due to more net profit and increased investment properties and fix assets such as furniture and fixtures hotel, renovation and building for developing Chu-am hotel project. The renovation of these assets generated higher income later on.

## **2.3 Capital Expenditures**

The company and its subsidiaries in hotel business have invested in the rooms renovation and equipment used in hotel and restaurants in the year 2012 total amount of Baht 47.64 million.

In 2012 Zeer Property Public Company Limited, the subsidiary in shopping center business, has invested in renovating the Zeer Rangsit Shopping Center building since part of it was damaged from the flood in 2011 including the investment in the new project by starting the construction of the dormitory building for rent and second project of Zeer Shopping Center. Total investment of Baht137.47 million.

## **2.4 Source of Investment Capital**

### **(1) Suitability of Capital Structure**

Ratio of liabilities to shareholders' equity of the Company and its subsidiaries as at December 31, 2012 was 0.38 times decreasing from the previous year which was 0.42 times. This was because in 2012, the Company and its subsidiaries has increased in the shareholders' equity Baht 696.89 million from the previous year whereas total liabilities was increased Baht 2.87 million.

### **(2) Shareholders' Equities**

Shareholders' equity of the Company and its subsidiaries as at the end of year 2012 was amount of Baht 6,913.31 million. When compared with the equity amount of Baht 6,216.42 million as at the end of the previous year, it is found that the amount increased of Baht 696.89 million. This resulted from annual net profit, dividend payment and increasing revaluation to appraise its land, building and construction.

### **(3) Liabilities**

The total liabilities of the Company and subsidiaries as at the end of year 2012 was Baht2,620.57 million when compared with the previous year was Baht2,617.70 million, the total liabilities increased Baht2.87 million. This was due to increasing in long term loan from financial institution, guarantee for rental, trade account payable and other payable which summarized as follows:

- Other Payable increased Baht 23.40 million and Asset payable increased Baht 16.67 million
- Current portion of long term loans increased Baht 10.60 million
- Guarantee for rental increased Baht 13.72 million.

Loan and long-term liabilities totaling Baht1,757.97 million as shown in the financial statement as at the end of year 2012 consist of:

(unit : million baht)

|                         | Total Long-term liabilities | Current portion of long-term liabilities | Net Long-term liabilities |
|-------------------------|-----------------------------|--|---------------------------|
| Loans from banks - ASIA | 1,109.00                    | 64.50                                    | 1,044.50                  |
| Loans from banks - AP   | 158.00                      | 10.00                                    | 148.00                    |
| Loans from bank - AA    | 101.50                      | 8.00                                     | 93.50                     |
| Loans from bank - ZP    | 389.47                      | 35.00                                    | 354.47                    |
| <b>Total</b>            | <b>1,757.97</b>             | <b>117.50</b>                            | <b>1,640.47</b>           |

These debts are net long-term liabilities of Baht 1,640.47 million. For long term debt that reach the due of payment in 2012 is totally Baht117.50 million. The company and its subsidiaries can pay by installment according to the conditions of the contract.

### ***The main factors and influences that may affect the operation or financial status in the future***

#### ***1. External factors affecting the Hotel Business***

In hotel business the main income profile of the company and its subsidiaries depend on the situation of the tourism business which may have the uncontrollable impact, for example, the terrorism, the political problems, natural disaster or epidemics. In the past those external factors had impact on the company's operations only for a short period, from 2008 to 2010. The subsidiaries had an impact from the political unrest during September 2011 and also the crisis from flood. Those factors have continuously affected the country's hotel and tourism business. However, the Company has some measurement to reduce the risk by taking out the insurance to cover enough damage that may occur.

#### ***2. External Factors affecting the shopping center business***

The retailed business has faced economic recession both inside and outside country and it has impact on the confidence of consumers. The more cautious on their spending created higher competition in market share. The retailers created special promotions and other marketing activities to attract the customers and encourage their buying decisions. The community mall type still interest many business operators because it is the opportunity to expand the customer base into the community and investment is lower than developing a large shopping center. The Company is still determine to develop the shopping complex to serve the clients' needs of daily life services or on special occasions, entertainment center, meeting places including the learning center for technical knowledge and social.

The company has strict policy regarding the safety and security and has set up the protective measurements and guidelines for the unexpected incidents such as the terrorism in order to prevent and reduce the damages that may occur. At the same time the company has taken out the insurance to cover the damages that may occur from natural disaster, accidents and terrorist acts to protect the financial damage.

### **3. Auditor Remuneration**

#### **3.1 Audit Fee**

The company and subsidiary companies pay the audit fee to:

- The auditor of the company in last fiscal year with the total amount of .....-..... Baht.
- 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 ...3,820,000.00.... Baht.

#### **3.2 Other Service Fees (Non-Audit Fee)      -No-**

## ***Report of the Audit Committee***

In 2012 three members of Audit Committee of the Asia Hotel Public Co., Ltd. have completed their 3 years in the office. On the 5<sup>th</sup> Board of committee meeting held on 14 May 2012 there was a resolution to re-appoint the three members and in addition appointed Dr. Chotima Puasiri to be an audit committee member. Therefore, at present the company audit committee comprises of 4 members of independent directors. They are Mr. Suwat Dusitrojjanawongse, Chairman of the committee, Mr. Sombut Pupipathirunkul, Mr. Piyawudh Senapoopitaksa and Dr. Chotima Puasiri. In 2012 Audit Committee held a total of 9 meetings and all members of Audit Committee attended the meeting every time for auditing and taking care of the Company according to the scope of duties and responsibilities that can be summarized as follows:

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

➤ The Audit Committee ensured that the standard of financial report has been followed. The mutual understanding was made with the management team regarding the changes of financial standard which will take effect in year 2013.

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

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

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

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***  
***5 March 2013***

## ***Report of the Nomination and Remuneration Committee***

To Shareholders,

The Nomination and Remuneration Committee was appointed by the Board of Directors since January 13, 2010 and have been in the office for 3 years. The resolution from the Board of Committee meeting 1/2013 is to reappoint them to be in the office for one more term which will end in 2016. The incumbent Committee comprises of three independent directors who are not executives of the company as follow:

| Name                         | Position | Participate in the 2012 Meeting |
|------------------------------|----------|---------------------------------|
| Mr. Sombut Pupipathirunkul   | Chairman | 2/2                             |
| Mr. Piyawudh Senapoopitaksa  | member   | 2/2                             |
| Mr. Suwat Dusitrojjanawongse | 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. In 2012 the assessment of CEO has started according to the good governance that should be done annually and the succession plan is being drafted.

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.

As of December 31, 2012, the Board of Directors, total of 9 members, comprised of four independent directors, one non-executive director, and four executive directors. The remuneration for the directors is indicated in the section of this Annual Report entitled 'The Remuneration and Benefits for the Board of in 2012'. 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 5, 2013

## **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 2012 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. Kumpol Techaruvichit**  
**Chairman**





## AUDITOR'S REPORT

To The Shareholders of ASIA HOTEL PUBLIC COMPANY LIMITED

I have audited the accompanying consolidated and separate financial statements of ASIA HOTEL PUBLIC COMPANY LIMITED and its subsidiary and separate ASIA HOTEL PUBLIC COMPANY LIMITED which comprise consolidated and separate statements of financial position as at December 31, 2012, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**Opinion**

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of ASIA HOTEL PUBLIC COMPANY LIMITED and its subsidiary and separate ASIA HOTEL PUBLIC COMPANY LIMITED as at December 31, 2012, and their consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai financial reporting standards.

**Emphasis of Matter**

Without qualified our opinion, I draw attention to Note 39 to the financial statements which describes the retrospective restatement of items in the consolidated financial statements due to accounting error related to revenue recognition on long term lease agreement and on leasehold right and previous presentation for property, plant and equipment of a subsidiary as investment properties.

D I A International Audit Co., Ltd.



( Mrs. Vilairat Rojnuckarin)

C.P.A. (Thailand)

Registration No. 3104

March 1, 2013

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2012

(Unit: Baht)

| ASSETS  | Note  | Consolidated      |                   |                  | Separate          |                   |
|---|-------|-------------------|-------------------|------------------|-------------------|-------------------|
|   |       | December 31, 2012 | December 31, 2011 | January 1, 2011  | December 31, 2012 | December 31, 2011 |
|   |       |                   | (Restated)        | (Restated)       |                   |                   |
| Current assets                                      |       |                   |                   |                  |                   |                   |
| Cash and cash equivalents                           | 6     | 90,582,601.25     | 39,337,624.89     | 91,308,963.49    | 6,279,325.67      | 4,283,793.51      |
| Current investments                                 |       | 595,409.00        | 595,409.00        | 655,409.00       | -                 | -                 |
| Trade accounts receivable and other receivable      | 7, 25 | 85,360,406.29     | 72,070,998.58     | 73,341,140.26    | 19,271,160.79     | 15,796,790.60     |
| Inventories   | 8     | 40,879,247.28     | 39,166,000.49     | 31,801,768.93    | 18,793,371.64     | 18,558,262.08     |
| Total current assets                                |       | 217,417,663.82    | 151,170,032.96    | 197,107,281.68   | 44,343,858.10     | 38,638,846.19     |
| Non - current assets                                |       |                   |                   |                  |                   |                   |
| Long - term investments in subsidiaries             | 9     | -                 | -                 | -                | 1,140,593,700.00  | 1,140,593,700.00  |
| Long - term investments with other companies        | 10    | -                 | -                 | -                | -                 | -                 |
| Restricted deposit with financial institution       | 11    | 4,000,000.00      | 6,341,769.47      | 6,341,769.47     | -                 | -                 |
| Long - term loans - receivable and accrued interest |       |                   |                   |                  |                   |                   |
| income - related parties                            | 25    | 86,581,176.76     | 91,857,348.00     | 97,366,334.34    | 86,581,176.76     | 91,857,348.00     |
| Investment properties                               | 12    | 4,666,281,005.96  | 4,525,666,212.20  | 4,287,353,047.55 | -                 | -                 |
| Property, plant and equipment                       | 13    | 4,538,795,759.52  | 4,039,495,957.64  | 3,329,041,136.28 | 2,229,412,642.87  | 2,268,930,076.82  |
| Intangible assets                                   | 15    | 1,222,410.23      | 1,643,370.36      | 1,686,066.70     | 87,564.54         | 85,685.86         |
| Prepaid rental                                      | 16    | 14,376,807.44     | 10,633,332.91     | 11,599,999.60    | 14,376,807.44     | 10,633,332.91     |
| Other non - current assets                          |       |                   |                   |                  |                   |                   |
| Deposits and guarantee                              |       | 971,706.17        | 989,600.01        | 874,616.01       | 440,211.33        | 520,635.33        |
| Prepaid withholding income tax                      |       | 3,060,713.61      | 5,909,845.65      | 6,398,508.18     | 2,118,300.08      | 4,552,046.85      |
| Others  |       | 1,177,700.34      | 408,538.59        | 3,342,423.66     | -                 | -                 |
| Total non - current assets                          |       | 9,316,467,280.03  | 8,682,945,974.83  | 7,744,003,901.79 | 3,473,610,403.02  | 3,517,172,825.77  |
| Total assets  |       | 9,533,884,943.85  | 8,834,116,007.79  | 7,941,111,183.47 | 3,517,954,261.12  | 3,555,811,671.96  |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2012

(Unit: Baht)

|  |        | Consolidated      |                   |                  | Separate          |                   |
|--|--------|-------------------|-------------------|------------------|-------------------|-------------------|
| LIABILITIES AND SHAREHOLDER'S EQUITY               | Note   | December 31, 2012 | December 31, 2011 | January 1, 2011  | December 31, 2012 | December 31, 2011 |
|  |        |                   | (Restated)        | (Restated)       |                   |                   |
| Current liabilities                                |        |                   |                   |                  |                   |                   |
| Bank overdrafts and short - term loans             |        |                   |                   |                  |                   |                   |
| from financial institutions                        | 17     | 129,989,970.97    | 135,253,646.69    | 47,977,036.99    | 41,736,867.31     | 59,426,921.53     |
| Trade accounts payable                             |        | 31,729,210.31     | 37,866,670.05     | 18,679,270.53    | 11,707,502.59     | 9,346,690.48      |
| Other payable                                      | 18     | 74,398,650.04     | 51,001,587.74     | 58,728,957.57    | 18,121,059.94     | 13,490,107.53     |
| Current portion of long - term loans               | 19     | 117,499,507.94    | 106,903,527.52    | 105,916,600.00   | 64,500,000.00     | 58,500,000.00     |
| Current portion of liability under financial lease |        |                   |                   |                  |                   |                   |
| agreement  | 20     | 1,724,277.56      | 1,087,629.93      | 975,100.17       | -                 | -                 |
| Current portion of deferred income                 | 24     | 8,278,199.52      | 8,278,199.52      | 8,278,199.52     | -                 | -                 |
| Short - term loans and accrued interest expense    |        |                   |                   |                  |                   |                   |
| - related party                                    | 25     | -                 | -                 | -                | 280,764,894.52    | 291,990,651.93    |
| Asset payable                                      |        | 34,520,524.10     | 17,852,722.80     | 20,308,664.39    | 480,435.35        | 4,795,676.19      |
| Deferred interest expenses - land rental           | 12, 25 | 15,081,178.68     | 17,251,119.12     | 10,205,287.80    | -                 | -                 |
| Accrued income tax expense                         |        | 17,407,999.25     | 13,698,298.53     | 16,588,358.40    | -                 | -                 |
| Total current liabilities                          |        | 430,629,518.37    | 389,193,401.90    | 287,657,475.37   | 417,310,759.71    | 437,550,047.66    |
| Non - current liabilities                          |        |                   |                   |                  |                   |                   |
| Long - term loans                                  | 19     | 1,640,467,468.66  | 1,690,559,847.32  | 1,628,777,400.82 | 1,044,500,000.00  | 1,109,000,000.00  |
| Liability under financial lease agreement          | 20     | 393,178.97        | 2,117,456.55      | 3,252,361.48     | -                 | -                 |
| Land rent payable recognised under financial       |        |                   |                   |                  |                   |                   |
| lease agreements                                   | 21, 25 | 279,111,862.64    | 279,111,862.64    | 279,111,862.64   | -                 | -                 |
| Employee benefit obligation                        | 22     | 55,311,052.04     | 48,896,177.00     | 43,523,327.00    | 24,369,003.00     | 22,083,950.00     |
| Guarantee for rental                               | 23     | 148,035,965.75    | 134,315,223.71    | 127,004,558.77   | 7,971,845.00      | 6,952,734.00      |
| Accrued income - leasehold rights on leased ar     | 24     | 63,215,496.09     | 70,444,253.01     | 79,344,363.21    | -                 | -                 |
| Other non - current liabilities                    |        | 3,410,110.92      | 3,062,714.80      | 1,155,574.02     | 1,258,200.00      | 1,324,000.00      |
| Total non - current liabilities                    |        | 2,189,945,135.07  | 2,228,507,535.03  | 2,162,169,447.94 | 1,078,099,048.00  | 1,139,360,684.00  |
| Total liabilities                                  |        | 2,620,574,653.44  | 2,617,700,936.93  | 2,449,826,923.31 | 1,495,409,807.71  | 1,576,910,731.66  |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (Cont.)

AS AT DECEMBER 31, 2012

(Unit: Baht)

|   | Note | Consolidated      |                   |                  | Separate          |                   |
|---|------|-------------------|-------------------|------------------|-------------------|-------------------|
|   |      | December 31, 2012 | December 31, 2011 | January 1, 2011  | December 31, 2012 | December 31, 2011 |
|   |      |                   | (Restated)        | (Restated)       |                   |                   |
| Shareholders' equity                                  |      |                   |                   |                  |                   |                   |
| Share capital   |      |                   |                   |                  |                   |                   |
| Authorized share capital                              |      |                   |                   |                  |                   |                   |
| Common shares Baht 10 par value 50,000,000 shares     |      | 500,000,000.00    | 500,000,000.00    | 500,000,000.00   | 500,000,000.00    | 500,000,000.00    |
| Issued and paid - up share capital                    |      |                   |                   |                  |                   |                   |
| Common shares Baht 10 par value 32,000,000 shares     |      |                   |                   |                  |                   |                   |
| fully paid  |      | 320,000,000.00    | 320,000,000.00    | 320,000,000.00   | 320,000,000.00    | 320,000,000.00    |
| Common shares of parent held by subsidiaries          |      |                   |                   | (2,900,760.00)   |                   |                   |
| Capital surplus                                       |      |                   |                   |                  |                   |                   |
| Premium on share - sale of parent's common share held |      |                   |                   |                  |                   |                   |
| by subsidiaries                                       |      | 112,743,250.00    | 112,743,250.00    | 95,772,010.00    | -                 | -                 |
| Retained earnings                                     |      |                   |                   |                  |                   |                   |
| Appropriated - legal reserve                          | 29   | 11,832,533.33     | 7,905,555.85      | 7,905,555.85     | 12,426,977.48     | 8,500,000.00      |
| Unappropriated  |      | 3,020,086,231.65  | 2,874,677,542.36  | 2,831,823,332.25 | 48,095,595.68     | 682,088.68        |
| Surplus on dilution of investment in subsidiary       |      | 38,484,308.63     | 38,484,308.63     | 38,484,308.63    | -                 | -                 |
| Other components of equity                            |      | 3,183,218,727.13  | 2,668,531,951.53  | 2,015,321,239.95 | 1,642,021,880.25  | 1,649,718,851.62  |
| Total the parent shareholders' equity                 |      | 6,686,365,050.74  | 6,022,342,608.37  | 5,306,405,686.68 | 2,022,544,453.41  | 1,978,900,940.30  |
| Non - controlling interests                           |      | 226,945,239.67    | 194,072,462.49    | 184,878,573.48   | -                 | -                 |
| Total shareholders' equity                            |      | 6,913,310,290.41  | 6,216,415,070.86  | 5,491,284,260.16 | 2,022,544,453.41  | 1,978,900,940.30  |
| Total liabilities and shareholders' equity            |      | 9,533,884,943.85  | 8,834,116,007.79  | 7,941,111,183.47 | 3,517,954,261.12  | 3,555,811,671.96  |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

|  |      | Consolidated     |                    | Separate         |                  |
|--|------|------------------|--------------------|------------------|------------------|
|  | Note | 2012             | 2011<br>(Restated) | 2012             | 2011             |
| REVENUES   |      |                  |                    |                  |                  |
| Income from hotel business                               |      | 617,488,689.44   | 461,695,227.18     | 305,147,293.87   | 254,350,744.84   |
| Rental and services income                               |      | 537,198,290.96   | 445,826,854.11     | -                | -                |
| Total revenues   |      | 1,154,686,980.40 | 907,522,081.29     | 305,147,293.87   | 254,350,744.84   |
| COST OF SALES AND SERVICES                               |      |                  |                    |                  |                  |
| Cost of hotel business                                   |      | (402,715,708.12) | (359,557,515.30)   | (201,008,655.91) | (190,935,012.06) |
| Cost of rental and services                              |      | (260,210,685.19) | (210,531,428.79)   | -                | -                |
| Amortized interest on land rental under financial lease  |      | (17,343,559.56)  | (15,763,831.32)    | -                | -                |
| Total cost of sales and services                         |      | (680,269,952.87) | (585,852,775.41)   | (201,008,655.91) | (190,935,012.06) |
| GROSS PROFIT   |      | 474,417,027.53   | 321,669,305.88     | 104,138,637.96   | 63,415,732.78    |
| OTHER INCOME   |      |                  |                    |                  |                  |
| Interest income  |      | 530,686.36       | 1,273,478.21       | 13,898.13        | 5,090.57         |
| Dividend income  |      | -                | -                  | 117,376,710.00   | 64,023,660.00    |
| Gain from fair value adjustment of investment properties |      | 15,228,675.81    | 38,121,198.95      | -                | -                |
| Income on insurance indemnity                            |      | 30,000,000.00    | -                  | -                | -                |
| Others   |      | 51,810,536.43    | 52,928,681.29      | 39,520,421.29    | 39,556,781.97    |
| Total other income                                       |      | 97,569,898.60    | 92,323,358.45      | 156,911,029.42   | 103,585,532.54   |
| Profit before expenses                                   |      | 571,986,926.13   | 413,992,664.33     | 261,049,667.38   | 167,001,265.32   |
| Selling expenses   |      | (33,425,606.49)  | (27,820,126.35)    | (16,851,406.20)  | (13,671,087.03)  |
| Administrative expenses                                  |      | (178,342,832.95) | (157,240,004.51)   | (85,193,938.30)  | (77,830,325.87)  |
| Management benefit expenses                              |      | (18,186,680.00)  | (17,274,080.00)    | (6,793,200.00)   | (6,336,000.00)   |
| Directors' remuneration                                  |      | (3,522,850.00)   | (3,336,200.00)     | (1,868,500.00)   | (1,863,750.00)   |
| Reversal provision for doubtful debt (Doubtful debt)     |      | 17,279,128.17    | 26,723,285.74      | 19,946,844.77    | (2,658,383.11)   |
| Financial cost   |      | (125,124,443.22) | (121,483,466.17)   | (91,749,918.17)  | (89,282,959.94)  |
| Profit (Loss) before income tax                          |      | 230,663,641.64   | 113,562,073.04     | 78,539,549.48    | (24,641,240.63)  |
| Income tax expense                                       |      | (43,768,330.70)  | (42,338,436.79)    | -                | -                |
| Net profit (loss) for the period                         |      | 186,895,310.94   | 71,223,636.25      | 78,539,549.48    | (24,641,240.63)  |
| Other comprehensive income                               |      |                  |                    |                  |                  |
| Difference on exchange rate from currency translation    |      | (569,335.56)     | 342,619.24         | -                | -                |
| Gain from asset revaluation                              |      | 564,419,716.03   | 672,793,127.24     | -                | 672,793,127.24   |
| Revaluation surplus - amortization                       | 13   | (20,278,116.86)  | (20,081,122.03)    | (7,696,971.37)   | (7,527,825.09)   |
| Other comprehensive income for the period                |      | 543,572,263.61   | 653,054,624.45     | (7,696,971.37)   | 665,265,302.15   |
| Total comprehensive income for the period                |      | 730,467,574.55   | 724,278,260.70     | 70,842,578.11    | 640,624,061.52   |
| Attributable to:   |      |                  |                    |                  |                  |
| Equity holders of the parent                             |      | 176,534,731.77   | 58,578,160.11      | 78,539,549.48    | (24,641,240.63)  |
| Non - controlling interests                              |      | 10,360,579.17    | 12,645,476.14      | -                | -                |
|  |      | 186,895,310.94   | 71,223,636.25      | 78,539,549.48    | (24,641,240.63)  |
| Total comprehensive income attributable to:              |      |                  |                    |                  |                  |
| Equity holders of the parent                             |      | 691,221,507.37   | 711,788,871.69     | 70,842,578.11    | 640,624,061.52   |
| Non - controlling interests                              |      | 39,246,067.18    | 12,489,389.01      | -                | -                |
|  |      | 730,467,574.55   | 724,278,260.70     | 70,842,578.11    | 640,624,061.52   |
| Basic earnings (loss) per share :                        |      |                  |                    |                  |                  |
|  |      | 5.52             | 1.85               | 2.45             | (0.77)           |
| Weighted average number of common shares                 |      |                  |                    |                  |                  |
|  |      | 32,000,000       | 31,686,504         | 32,000,000       | 32,000,000       |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

| Note  | Consolidated                           |                                      |   |  |                               |                  |                                  |                         |                                       |                                       |                                |                  |
|---|--|--------------------------------------|---|--|-------------------------------|------------------|----------------------------------|-------------------------|---------------------------------------|---------------------------------------|--------------------------------|------------------|
|   | Common shares                          |                                      |   |  | Retained earnings             |                  | Other component of equity        |                         |                                       | Total                                 |                                |                  |
|   | Share capital<br>issues and fully paid | of parent<br>held by<br>subsidiaries | Premium on share<br>from sale of<br>common shares | Surplus on<br>dilution of<br>investments | Appropriated<br>legal reserve | Unappropriated   | Other comprehensive income       |                         | Total other<br>component of<br>equity | the parent<br>shareholders'<br>equity | Non - controlling<br>interests | Total            |
|   |  |                                      |   |  |                               |                  | Revaluation<br>surplus of assets | Currency<br>translation |                                       |                                       |                                |                  |
| Beginning balance as at January 1, 2012                   | 320,000,000.00                         | -                                    | 112,743,250.00                                    | 38,484,308.63                            | 7,905,555.85                  | 2,842,216,237.16 | 2,595,717,950.69                 | 307,561.24              | 2,596,025,511.93                      | 5,917,374,863.57                      | 187,736,189.25                 | 6,105,111,052.82 |
| Accumulated from accounting error adjustment              | 39                                     |                                      |   |  |                               | 32,461,305.20    | 72,497,260.31                    | 9,179.29                | 72,506,439.60                         | 104,967,744.80                        | 6,336,273.24                   | 111,304,018.04   |
| Balance as at January 1, 2012 (after adjustment)          | 320,000,000.00                         | -                                    | 112,743,250.00                                    | 38,484,308.63                            | 7,905,555.85                  | 2,874,677,542.36 | 2,668,215,211.00                 | 316,740.53              | 2,668,531,951.53                      | 6,022,342,608.37                      | 194,072,462.49                 | 6,216,415,070.86 |
| Dividend payment  | 9, 28                                  |                                      |   |  |                               | (27,199,065.00)  |                                  |                         |                                       | (27,199,065.00)                       | (6,373,290.00)                 | (33,572,355.00)  |
| Total comprehensive income for the period                 | 13                                     |                                      |   |  |                               | 176,534,731.77   | 515,256,111.16                   | (569,335.56)            | 514,686,775.60                        | 691,221,507.37                        | 39,246,067.18                  | 730,467,574.55   |
| Appropriated legal reserve                                |  |                                      |   |  | 3,926,977.48                  | (3,926,977.48)   |                                  |                         |                                       | -                                     | -                              | -                |
| Ending balance as at December 31, 2012                    | 320,000,000.00                         | -                                    | 112,743,250.00                                    | 38,484,308.63                            | 11,832,533.33                 | 3,020,086,231.65 | 3,183,471,322.16                 | (252,595.03)            | 3,183,218,727.13                      | 6,686,365,050.74                      | 226,945,239.67                 | 6,913,310,290.41 |
| Beginning balance as at January 1, 2011                   | 320,000,000.00                         | (2,900,760.00)                       | 95,772,010.00                                     | 38,484,308.63                            | 7,905,555.85                  | 2,800,434,607.24 | 1,940,558,440.26                 | -                       | 1,940,558,440.26                      | 5,200,254,161.98                      | 179,114,942.99                 | 5,379,369,104.97 |
| Accumulated from accounting error adjustment              | 39                                     |                                      |   |  |                               | 31,388,725.01    | 74,762,799.69                    | -                       | 74,762,799.69                         | 106,151,524.70                        | 5,763,630.49                   | 111,915,155.19   |
| Balance as at January 1, 2011 (after adjustment)          | 320,000,000.00                         | (2,900,760.00)                       | 95,772,010.00                                     | 38,484,308.63                            | 7,905,555.85                  | 2,831,823,332.25 | 2,015,321,239.95                 | -                       | 2,015,321,239.95                      | 5,306,405,686.68                      | 184,878,573.48                 | 5,491,284,260.16 |
| Total comprehensive income for the period                 | 13                                     |                                      |   |  |                               | 58,578,160.11    | 652,893,971.05                   | 316,740.53              | 653,210,711.58                        | 711,788,871.69                        | 12,489,389.01                  | 724,278,260.70   |
| Dividend payment  |  |                                      |   |  |                               | (15,723,950.00)  |                                  |                         |                                       | (15,723,950.00)                       | (3,476,340.00)                 | (19,200,290.00)  |
| Subsidiary sold investment in the parent                  |  | 2,900,760.00                         | 16,971,240.00                                     |  |                               |                  |                                  |                         |                                       | 19,872,000.00                         |                                | 19,872,000.00    |
| Non - controlling interest from increase of share capital |  |                                      |   |  |                               |                  |                                  |                         |                                       |                                       | 180,840.00                     | 180,840.00       |
| Ending balance as at December 31, 2011                    | 320,000,000.00                         | -                                    | 112,743,250.00                                    | 38,484,308.63                            | 7,905,555.85                  | 2,874,677,542.36 | 2,668,215,211.00                 | 316,740.53              | 2,668,531,951.53                      | 6,022,342,608.37                      | 194,072,462.49                 | 6,216,415,070.86 |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

|   | Note | Separate                               |                               |                 |  |  |
|---|------|--|-------------------------------|-----------------|--|--|
|   |      | Retained earnings                      |                               |                 | Other components of equity                                     |  |
|   |      | Share capital<br>issues and fully paid | Appropriated<br>legal reserve | Unappropriated  | Other comprehensive income<br>Revaluation surplus<br>of assets | Total other<br>components<br>of equity |
|   |      |  |                               |                 |  | Total                                  |
| Beginning balance as at January 1, 2012   |      | 320,000,000.00                         | 8,500,000.00                  | 682,088.68      | 1,649,718,851.62   | 1,649,718,851.62                       |
| Total comprehensive income for the period | 13   |  |                               | 78,539,549.48   | (7,696,971.37)   | (7,696,971.37)                         |
| Dividend payment                          | 28   |  |                               | (27,199,065.00) |  |  |
| Appropriated legal reserve                |      |  | 3,926,977.48                  | (3,926,977.48)  |  |  |
| Ending balance as at December 31, 2012    |      | 320,000,000.00                         | 12,426,977.48                 | 48,095,595.68   | 1,642,021,880.25   | 1,642,021,880.25                       |
| Beginning balance as at January 1, 2011   |      | 320,000,000.00                         | 8,500,000.00                  | 41,323,279.31   | 984,453,549.47   | 984,453,549.47                         |
| Total comprehensive income for the period | 13   |  |                               | (24,641,240.63) | 665,265,302.15   | 665,265,302.15                         |
| Dividend payment                          |      |  |                               | (15,999,950.00) |  |  |
| Ending balance as at December 31, 2011    |      | 320,000,000.00                         | 8,500,000.00                  | 682,088.68      | 1,649,718,851.62   | 1,649,718,851.62                       |

Notes to financial statements are parts of these financial statements.



ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

|   | Consolidated    |                    | Separate        |                 |
|---|-----------------|--------------------|-----------------|-----------------|
|   | 2012            | 2011<br>(Restated) | 2012            | 2011            |
| Cash flows from operating activities :  |                 |                    |                 |                 |
| Net profit (loss) before corporate income tax   | 230,663,641.64  | 113,562,073.04     | 78,539,549.48   | (24,641,240.63) |
| Adjustment to reconcile net profit (loss) to cash provided<br>by (used in) operating activities |                 |                    |                 |                 |
| Employee benefit provision  | 7,191,675.04    | 6,694,280.00       | 3,061,853.00    | 2,668,489.00    |
| Depreciation  | 92,288,436.07   | 97,939,940.51      | 42,629,159.57   | 48,074,930.38   |
| Amortized prepaid rental  | 1,171,455.47    | 966,666.69         | 1,171,455.47    | 966,666.69      |
| Amortized computer software   | 560,760.13      | 903,046.34         | 82,121.32       | 369,114.64      |
| Doubtful debt (Reversal provision for doubtful debt)  | (17,279,128.17) | (26,723,285.74)    | (19,946,844.77) | 2,658,383.11    |
| Amortized withholding income tax  | 3,116,667.54    | 1,709,196.68       | 2,484,353.14    | -               |
| Loss from declining in value on inventories   | -               | 9,202.34           | -               | 9,202.34        |
| Amortized interest on land rental under financial lease   | 17,343,559.56   | 15,763,831.32      | -               | -               |
| Garin from fair value adjustment for investment properti  | (15,228,675.81) | (38,121,198.95)    | -               | -               |
| (Gain) Loss on sale of fixed assets   | (14,458.17)     | (7,631.98)         | (102,282.19)    | (2,515,535.67)  |
| Loss of asset from flood  | 9,697,482.53    | 4,208,856.20       | -               | -               |
| Loss from impairment on assets  | 473,016.25      | -                  | -               | -               |
| Income on leasehold rights  | (7,228,756.92)  | (7,228,756.92)     | -               | -               |
| Interest income   | -               | (718,254.56)       | -               | -               |
| Financial cost - interest expense   | 125,124,443.22  | 121,483,466.17     | 91,749,918.17   | 89,282,959.94   |
| Profit from operations before changes in operating<br>assets and liabilities                    | 447,880,118.38  | 290,441,431.14     | 199,669,283.19  | 116,872,969.80  |
| Operating assets (increase) decrease  |                 |                    |                 |                 |
| Trade accounts receivable and other receivable  | (15,934,108.30) | 8,582,364.97       | (3,451,354.18)  | 1,546,164.36    |
| Inventories   | (1,713,246.79)  | (5,855,001.37)     | (235,109.56)    | (776,927.85)    |
| Other non - current assets  | 3,449,878.34    | 253,337.08         | 80,424.00       | (72,224.00)     |
| Operating liabilities increase (decrease)   |                 |                    |                 |                 |
| Trade accounts payable  | (6,137,459.74)  | 19,348,785.01      | 2,360,812.11    | (414,383.80)    |
| Other payable   | 22,522,799.61   | (7,727,369.83)     | 3,832,897.62    | (126,183.34)    |
| Employee benefit obligation   | (776,800.00)    | (1,321,430.00)     | (776,800.00)    | (292,730.00)    |
| Guarantee for rental  | 13,720,742.04   | 7,310,664.94       | 1,019,111.00    | 1,393,098.00    |
| Other non - current liabilities   | 347,396.12      | 235,787.50         | (65,800.00)     | 131,400.00      |
| Cash received from operating activities   | 463,359,319.66  | 311,268,569.44     | 202,433,464.18  | 118,261,183.17  |
|   | 1,148,202.48    | -                  | 1,148,202.48    | -               |
| Corporate income tax paid   | (41,474,367.96) | (46,449,030.81)    | (1,198,808.85)  | (919,491.23)    |
| Net cash provided by (used in) operating activities   | 423,033,154.18  | 264,819,538.63     | 202,382,857.81  | 117,341,691.94  |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2012

(Unit: Baht)

| Note  | Consolidated     |                    | Separate         |                 |
|---|------------------|--------------------|------------------|-----------------|
|   | 2012             | 2011<br>(Restated) | 2012             | 2011            |
| Cash flow from investing activities :   |                  |                    |                  |                 |
| Cash received from (paid for) current investment  | 2,341,769.47     | 60,000.00          | -                | -               |
| Cash received from long - term loan - receivable and<br>accrued interest income - related parties | 25,200,000.00    | 25,638,303.35      | 25,200,000.00    | 2,500,000.00    |
| Cash received from sale of fixed assets   | 206,560.42       | 177,326.37         | 154,261.35       | 60,091.79       |
| Cash paid for purchase of investment properties   | (109,441,851.91) | (204,400,821.90)   | -                | -               |
| Cash paid for purchase of fixed assets and intangible ass   | (47,666,185.68)  | (139,800,290.08)   | (10,832,320.80)  | (24,905,551.13) |
| Cash paid for deposit of real estate  | (4,914,930.00)   | -                  | (4,914,930.00)   | -               |
| Cash paid for assets payable  | (13,760,465.12)  | (18,482,706.59)    | (4,427,596.19)   | (8,449,393.63)  |
| Net cash provided by (used in) investing activities   | (148,035,102.82) | (336,808,188.85)   | 5,179,414.36     | (30,794,852.97) |
| Cash flow from financing activities :   |                  |                    |                  |                 |
| Cash received from (paid for) from bank overdrafts  | (5,263,675.71)   | 87,276,609.70      | (17,690,054.22)  | 21,839,185.51   |
| Cash received from short - term loans<br>and accrued interest expense - related parties           | -                | -                  | 4,100,000.00     | 61,335,000.00   |
| Cash paid for short - term loans<br>and accrued interest expense - related parties                | -                | -                  | (28,185,000.00)  | (22,900,000.00) |
| Cash paid for financial cost  |                  |                    |                  |                 |
| Financial interest  | (124,250,180.54) | (121,483,466.17)   | (78,092,620.79)  | (77,981,495.68) |
| Land interest recognised under financial lease agreement  | (19,513,500.00)  | (8,718,000.00)     | -                | -               |
| Cash paid for dividend  | (33,572,355.00)  | (19,200,290.00)    | (27,199,065.00)  | (15,999,950.00) |
| Cash received from long - term loans  | 77,000,000.00    | 237,940,276.09     | -                | -               |
| Cash paid for long-term loans   | (116,496,398.24) | (175,170,902.07)   | (58,500,000.00)  | (54,000,000.00) |
| Cash received from increase of share capital<br>on non - controlling interest                     | -                | 180,840.00         | -                | -               |
| Cash received from the parent company's common shares<br>held by subsidiaries                     | -                | 19,872,000.00      | -                | -               |
| Cash paid for under financial lease agreement   | (1,087,629.95)   | (1,022,375.17)     | -                | -               |
| Net cash provided by (used in) financing activities   | (223,183,739.44) | 19,674,692.38      | (205,566,740.01) | (87,707,260.17) |
| Cash and cash equivalents increase (decrease)   | 51,814,311.92    | (52,313,957.84)    | 1,995,532.16     | (1,160,421.20)  |
| Difference from currency translation  | (569,335.56)     | 342,619.24         | -                | -               |
| Net cash and cash equivalents increase (decrease)   | 51,244,976.36    | (51,971,338.60)    | 1,995,532.16     | (1,160,421.20)  |
| Cash and cash equivalents at the beginning of period  | 39,337,624.89    | 91,308,963.49      | 4,283,793.51     | 5,444,214.71    |
| Cash and cash equivalents at the ending of period   | 6 90,582,601.25  | 39,337,624.89      | 6,279,325.67     | 4,283,793.51    |

Notes to financial statements are parts of these financial statements.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2012

**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.
- Two subsidiaries, Zeer Property Plc. and ZEER OVERSEA LLC. are involved in rental shopping complex business.
- A subsidiary, Zeer Asset Co., Ltd. is involved in real estate development business.

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

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

**2. Preparation of interim financial statement basis**

2.1 Basis for Financial Statements Preparation

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

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

2.2 Presentation of Financial Statements

The Federation of Accounting Professions issued new or revised financial reporting standards effective from accounting period beginning on or after January 1, 2013 and the Company does not apply the following standards for preparation of these financial statements detailed as follows:

| <u>Financial Reporting Standards</u> | <u>Topic</u>  |
|--------------------------------------|---|
| TAS 12                               | Income tax  |
| TAS 20 (Revised 2009)                | Accounting for Government Grants and Disclosure of Government Assistance      |
| TAS 21 (Revised 2009)                | The Effect of Changes in Foreign Exchange Rates                               |
| TFRS 8                               | Operation Segments  |
| TSIC 10                              | Government Assistance – No Specific Relation to Operating Activities          |
| TSIC 21                              | Income Taxes – Recovery of Revalued Non – Depreciable Assets                  |
| TSIC 25                              | Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders |
| Accounting Guidance                  | Transfers of Financial Assets   |

The management of the Company has assessed and determined that financial reporting standards mentioned above have no material impact on the financial statements of the Company being presented except the impact of accounting practice for

transfer and the transfer of financial assets as published in the Government Gazette on January 17, 2013 which is being evaluated of the effects on the financial statements by the management of the Company and the effects of the other financial reporting standards as abovementioned are to be described as follows :

TFRS 8 " Operating segments", the company is required to disclose segment information in accordance with the concept of presenting operating segments on the same basis as that used internally by the Company's chief operating decision maker. Since the change in accounting policy has impact only on information disclosure aspect, there is no impact on the financial statements of the Company.

TAS 12 "Income Taxes" deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Tax assets and liabilities for the current period are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The principal temporary differences may arise from allowance for doubtful accounts, allowance for devaluation of goods, employee benefits obligation and tax loss carried forward etc. The Company will apply this standard from January 1, 2013 retrospectively with an expected to incur of deferred tax amount and changes in retained earnings and income tax expenses. The management of the Company are currently assessing the impact of applying this standard.

TAS 21 "The Effects of Changes in Foreign Exchange Rate" is the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January, 2013 is not expected to have a significant impact on the Company's assets, liabilities or retained earnings.

| <u>Financial Reporting Standards</u> | <u>Topic</u>  |
|--------------------------------------|---|
| TFRIC 4                              | Determining whether an Arrangement contains a Lease |
| TFRIC 12                             | Service Concession Arrangements                     |
| TFRIC 13                             | Customers Loyalty Programmes                        |
| TSIC 29                              | Service Concession Arrangements Disclosures         |

The Company are evaluating the effects of those standards on the financial statements in the year in which they are initially applied.

### **3. Consolidated financial statements preparation basis**

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

3.3 The consolidated financial statements consist of the financial statements of Asia Hotel Public Company Limited, the parent company, and of subsidiaries in which Asia Hotel Public Company Limited has shareholding or has significant influence in the subsidiaries as follows:

|  | Percentage of shareholding by the Company |        |
|--|---|--------|
|  | 2012                                      | 2011   |
| 1. Asia Pattaya Hotel Co., Ltd.                      | 99.42                                     | 99.42  |
| 2. Asia Airport Hotel Co., Ltd.                      | 100.00                                    | 100.00 |
| 3. Zeer Property Plc.                                | 94.85                                     | 94.85  |
| 4. Zeer Asset Co., Ltd. (held by Zeer Property Plc.) | 96.99                                     | 96.99  |
| 5. ZEER OVERSEA LLC. (held by Zeer Property Plc.)    | 94.00                                     | 94.00  |

#### 4. Significant accounting policies

##### 4.1 Recognition of revenues and expenses

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

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

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

Service income is recognized when service has been rendered.

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

Other incomes and expenses are recognized on an accrual basis.

##### 4.2 Cash and cash equivalents

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

##### 4.3 Accounts Receivable

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

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

##### 4.4 Inventory

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

#### 4.5 Investments

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

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

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

Cost of investment is calculated by weighted average method.

#### 4.6 Investment properties

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

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

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

#### 4.7 Property, plant and equipment/ depreciation

Land is stated at the new revaluation.

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

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

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

TAS 16 (Revised 2009) stated that:

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

4.7.2 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.

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

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

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

In 2011, the Company and subsidiaries changed estimated useful lives of building from 32 years to 58 years according to the independent appraiser's report by using prospective method as at December 31, 2011.

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

#### 4.8 Amortization

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

#### 4.9 Borrowing cost

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

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

#### 4.10 Intangible assets

Computer software is considered as intangible assets and at cost less accumulated amortization and impairment (if any).

Intangible assets are amortized by the straight-line method over 5 - 10 years.

#### 4.11 Long-term lease - Financial lease contract

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

#### 4.12 Impairment of assets

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

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

#### 4.13 Financial instruments

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

#### 4.14 Transactions in foreign currencies

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

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

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

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

#### 4.15 Employee Benefit obligation

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

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

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

#### 4.16 Related party transactions

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



#### 4.17 Use of accounting estimates

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

#### 4.18 Provision for liabilities

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

#### 4.19 Income tax

The Company and subsidiaries recognised corporate income tax as expense for the occurring period as described in the Revenue Code.

#### 4.20 Basic earnings (loss) per share

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

### 5. Non-cash transaction

- 5.1 In 2012, the Company purchased properties in credit in the amount of Baht 0.11 million (Separate financial statements).
- 5.2 In 2012, the subsidiary purchased investment properties in the amount of Baht 30.32 million (Consolidated financial statements)
- 5.3 In 2012, the subsidiary transferred investment properties to be Other non-current assets in the amount of Baht 4.67 million (Consolidated financial statements).
- 5.4 In 2011, the Company and the subsidiary purchased properties in credit in the amount of Baht 17.71 million (Consolidated income statements) and Baht 6.61 million (Separate Statements).

## 6. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2012 and 2011 presented in the statements of cash flows comprise of :

| (Unit : Thousand Baht) |              |        |          |       |
|------------------------|--------------|--------|----------|-------|
|                        | Consolidated |        | Separate |       |
|                        | 2012         | 2011   | 2012     | 2011  |
| Cash on hand           | 5,043        | 4,205  | 3,411    | 2,587 |
| Non - clearing cheques | 8,412        | 2,400  | 203      | 35    |
| Current accounts       | 15,612       | 2,877  | 2,277    | 956   |
| Saving accounts        | 61,507       | 29,848 | 388      | 706   |
| Fixed deposits         | 8            | 8      | -        | -     |
| Total                  | 90,582       | 39,338 | 6,279    | 4,284 |

## 7. Trade accounts receivable and other receivable

### Trade accounts receivable

Trade accounts receivable are classified by aging as follows:

| (Unit : Thousand Baht)   |              |            |          |         |
|--|--------------|------------|----------|---------|
|  | Consolidated |            | Separate |         |
|  | 2012         | 2011       | 2012     | 2011    |
|  |              | (Restated) |          |         |
| The Company and its two subsidiaries, involved in the hotel business : |              |            |          |         |
| Current accounts   | 13,977       | 10,345     | 10,153   | 7,768   |
| Overdue 1 - 30 days  | 9,801        | 6,277      | 6,105    | 2,219   |
| Overdue 31 - 60 days   | 3,878        | 3,888      | 849      | 852     |
| Overdue 61 - 90 days   | 4,290        | 3,570      | 217      | 427     |
| Overdue 91 - 365 days  | 8,340        | 11,414     | 159      | 283     |
| Overdue more than 1 year   | 4,433        | 2,094      | 1,317    | 1,339   |
|  | 44,719       | 37,588     | 18,800   | 12,888  |
| Less Provision for doubtful debt                                       | (4,433)      | (2,095)    | (1,317)  | (1,340) |
| Total  | 40,286       | 35,493     | 17,483   | 11,548  |

## 7. Trade accounts receivable and other receivable (Cont.)

(Unit : Thousand Baht)

|  | Consolidated |            | Separate |        |
|--|--------------|------------|----------|--------|
|  | 2012         | 2011       | 2012     | 2011   |
|  |              | (Restated) |          |        |
| Subsidiary company - Zeer Property Plc. involved in rental shopping complex business : |              |            |          |        |
| Current accounts   | 9,194        | 10,624     | -        | -      |
| Overdue 1 - 30 days  | 16,201       | 13,439     | -        | -      |
| Overdue 31 - 60 days   | 5,167        | 117        | -        | -      |
| Overdue 61 - 90 days   | 2,889        | 513        | -        | -      |
| Overdue 91 - 365 days  | 5,026        | 4,921      | -        | -      |
| Overdue more than 1 year   | 4,222        | 4,395      | -        | -      |
|  | 42,699       | 34,009     | -        | -      |
| Less Provision for doubtful debt   | (5,767)      | (6,380)    | -        | -      |
|  | 36,932       | 27,629     | -        | -      |
| Total  | 77,218       | 63,122     | 17,483   | 11,548 |
| Post dated cheques   | 270          | 766        | -        | -      |
| Trade accounts receivable - net  | 77,488       | 63,888     | 17,483   | 11,548 |
| <b>Other receivable</b>  |              |            |          |        |
| Other receivable   | 713          | 1,214      | -        | 2,936  |
| Prepaid expenses   | 2,634        | 2,524      | 958      | 730    |
| Other  | 4,525        | 4,445      | 830      | 582    |
| Total  | 7,872        | 8,183      | 1,788    | 4,248  |
| Total trade accounts receivable and other receivable                                   | 85,360       | 72,071     | 19,271   | 15,796 |
| Movement of provision for doubtful debt  |              |            |          |        |
| Beginning balance  | 10,811       | 16,626     | 1,340    | 1,657  |
| Increase (Decrease) during the period  | (611)        | (8,151)    | (23)     | (317)  |
| Ending balance   | 10,200       | 8,475      | 1,317    | 1,340  |

## 8. Inventories

|                                  |  | (Unit : Thousand Baht) |        |          |        |
|----------------------------------|--|------------------------|--------|----------|--------|
|                                  |  | Consolidated           |        | Separate |        |
|                                  |  | 2012                   | 2011   | 2012     | 2011   |
| Restaurant                       |  |                        |        |          |        |
| - Food                           |  | 3,217                  | 3,281  | 1,325    | 1,492  |
| - Beverage                       |  | 1,583                  | 1,606  | 869      | 817    |
| - Supplies                       |  | 3,328                  | 3,116  | 309      | 236    |
| Hotel                            |  |                        |        |          |        |
| - Supplies                       |  | 7,554                  | 6,290  | 2,250    | 2,168  |
| - Operating equipment            |  | 13,474                 | 13,601 | 2,317    | 2,573  |
| - Reserve of operating equipment |  | 11,865                 | 11,415 | 11,865   | 11,415 |
| Total                            |  | 41,021                 | 39,309 | 18,935   | 18,701 |
| Less Allowance for impairment    |  |                        |        |          |        |
| of inventories                   |  | (142)                  | (143)  | (142)    | (143)  |
| Inventories                      |  | 40,879                 | 39,166 | 18,793   | 18,558 |

## 9. Long-term investments in subsidiaries

(Unit : Thousand Baht)

| Name                         | Business                                   | Relationship | Paid-up share capital |         | Percentage of shareholding |        | Investments-at Cost |           | Dividend |        |
|------------------------------|--|--------------|-----------------------|---------|----------------------------|--------|---------------------|-----------|----------|--------|
|                              |  |              | 2012                  | 2011    | 2012                       | 2011   | 2012                | 2011      | 2012     | 2011   |
| <b>Subsidiaries</b>          |  |              |                       |         |                            |        |                     |           |          |        |
| Asia Pattaya Hotel Co., Ltd. | Hotel                                      | Shareholder  | 120,000               | 120,000 | 99.42                      | 99.42  | 119,300             | 119,300   | -        | -      |
| Asia Airport Hotel Co., Ltd. | Hotel                                      | Shareholder  | 495,000               | 495,000 | 100.00                     | 100.00 | 592,499             | 592,499   | -        | -      |
| Zeer Property Plc.           | Construction and rental shopping complexes | Shareholder  | 225,000               | 225,000 | 94.85                      | 94.85  | 428,794             | 428,794   | 117,377  | 64,024 |
| Total                        |  |              |                       |         |                            |        | 1,140,593           | 1,140,593 |          |        |

At the board of directors' meeting No. 5/2012 held on August 8, 2012 the subsidiary, Zeer Property Plc., passed a resolution to pay dividend from net profit of the period January to June 2012 at the rate Baht 0.25 per share for 225 million shares, totalling Baht 56.25 million was paid on September 4, 2012.

At the ordinary shareholders' meeting No. 1/2012 held on April 10, 2012 the subsidiary, Zeer Property Plc., passed a resolution to pay dividend from operating result of the period January to December 2011 at the rate Baht 0.45 per share for 225 million shares, totalling Baht 101.25 million. Zeer Property Plc. has paid interim dividends on July 27, 2011 at the rate Baht 0.15 per share in amount of Baht 33.75 million and January 30, 2012 at the rate Baht 0.15 per share in amount of Baht 33.75 million and the remaining dividend at Baht 0.15 per share in amount of Baht 33.75 million was paid on April 27, 2012.

## 10. Long-term investments with other companies

(Unit : Thousand Baht)

| Name  | Business   | Relationship | Paid-up share capital |         | Percentage of shareholding | Investments-at Cost |          | Dividend |          |
|---|------------|--------------|-----------------------|---------|----------------------------|---------------------|----------|----------|----------|
|   |            |              | 2012                  | 2011    |                            | 2012                | 2011     | 2012     | 3/7/1905 |
| Jet Cat Tour Co., Ltd.                              | Travelling | Shareholder  | 800,000               | 800,000 | 19                         | 15,200              | 15,200   | -        | -        |
| Less Provision for declining in value of investment |            |              |                       |         |                            | (15,200)            | (15,200) |          |          |
| Net   |            |              |                       |         |                            | -                   | -        |          |          |

#### 11. Restricted deposit with financial institution

As at December 31, 2012, fixed deposit of a subsidiary, Zeer Property Plc, in the amount of Baht 4 million as collateral for bank overdraft (note 17).

#### 12. Investment properties

|  | (Unit : Thousand Baht) |           |
|--|------------------------|-----------|
|  | Consolidated           |           |
|  | 2012                   | 2011      |
| Investment properties as at beginning period | 4,525,666              | 4,287,353 |
| Increase during the period                   | 137,468                | 204,400   |
| Decrease during the period                   | (12,081)               | (4,208)   |
| Total  | 4,651,053              | 4,487,545 |
| Gain on change of fair value                 | 15,228.00              | 38,121    |
| Investment properties as at ending period    | 4,666,281              | 4,525,666 |

|   | (Unit : Thousand Baht) |            |
|---|------------------------|------------|
|   | Consolidated           |            |
|   | 2012                   | 2011       |
|   |                        | (Restated) |
| Statements of comprehensive income                      |                        |            |
| Rental and services income                              | 537,198                | 445,827    |
| Cost of rentals and services                            | 260,211                | 210,531    |
| Amortized interest on land rental under financial lease | 17,344                 | 15,764     |

The subsidiary used partial investment properties as collateral for loan from two commercial banks (note 17,19 and 26).

The subsidiary, Zeer Property Plc., constructed ZEER Rangsit building on leasehold land by entering into agreement with Donmuang Grand Plaza Co., Ltd which is a related company.

Benefits from land use from operating lease is classified and recorded as investment properties by recording such rental agreement as if it is financial lease agreement. Term of Land rental agreement ended on March 31, 2048 (note 21).

Fair values of investment properties by Income Approach as at December 31, 2012 in the consolidated financial statements amounting to Baht 4,667.08 million have details as follows:

- Part 1 : Fair value of subsidiary's part (Zeer Rungsit Complex) at Baht 4,446.34 million appraised by an independent appraiser named Modern Property Consultant Co., Ltd. based on remaining lease term of 35 years and 3 months.
- Part 2: Fair value of a subsidiary's part (ZEER OVERSEA LLC.) appraised by an independent appraiser named Greenwich Realty Advisors Incorporated at Baht 190.74 million (USD 6.25 million).

Fair values of investment properties as at December 31, 2011 at Baht 4,525.67 million appraised by using income approach have details as follows:

- Part 1 : Fair value of a subsidiary's part (Zeer Rungsit Complex) at Baht 4,293.76 million appraised by an independent appraiser named Siam Imperial Appraisal Co., Ltd. based on the remaining lease term of 36 years and 3 months.
- Part 2: Fair value of a subsidiary's part (ZEER OVERSEA LLC.) at Baht 231.90 million (USD 7.60 million), appraised by the management.

In 2012, the subsidiary recorded interest on loan as cost of investment properties in the amount of Baht 3.42 million.

The subsidiary used partial investment properties as collateral for loan from two commercial banks (note 17, 19 and 26).

### 13. Property, plant and equipment

|                         | Consolidated    |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          | (Unit : Thousand Baht)  |           |
|-------------------------|-----------------|---------------------|------------------|-----------------------------------|---------------------|-----------------------|-------------------------|------------------------|---------------------|-------------------------------------|---------------------------|----------|-------------------------|-----------|
|                         | Land            |                     | Land improvement | Building and building improvement |                     | Public utility system | Machinery and equipment | Furniture and fixtures | Furniture ornaments | Equipment for hotel and restaurants | Tool and office equipment | Vehicles | Work under construction | Total     |
|                         | Historical cost | Revaluation surplus |                  | Historical cost                   | Revaluation surplus |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Cost                    |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| As at January 1, 2011   | 237,715         | 1,668,806           | 1,545            | 1,146,567                         | 451,849             | 170,810               | 237,701                 | 711,123                | 101,158             | 150,303                             | 38,252                    | 53,340   | 48,718                  | 5,017,887 |
| purchase                | 10,694          |                     |                  |                                   |                     | 236                   | 9,003                   | 4,742                  | 1,172               | 3,580                               | 2,602                     | 463      | 126,836                 | 159,328   |
| Revaluation             |                 | 472,160             |                  |                                   | 200,633             |                       |                         |                        |                     |                                     |                           |          |                         | 672,793   |
| Disposal/Write off      |                 |                     |                  |                                   |                     | (1,960)               | (3,156)                 | (11,849)               | (692)               | (5,501)                             | (1,516)                   |          | (1,518)                 | (26,192)  |
| Transfer in (out)       |                 |                     |                  | (192)                             |                     | 1,137                 | 7,544                   | 9,938                  | 1,429               | 1,815                               | 113                       |          | (21,784)                | 0         |
| As at December 31, 2011 | 248,409         | 2,140,966           | 1,545            | 1,146,375                         | 652,482             | 170,223               | 251,092                 | 713,954                | 103,067             | 150,197                             | 39,451                    | 53,803   | 152,252                 | 5,823,816 |
| purchase                | 1,798           |                     |                  |                                   |                     |                       | 6,346                   | 1,057                  | 118                 | 7,326                               | 3,943                     | 911      | 26,139                  | 47,638    |
| Revaluation             |                 |                     |                  |                                   | 564,420             |                       |                         |                        |                     |                                     |                           |          |                         | 564,420   |
| Disposal/Write off      |                 |                     |                  |                                   |                     |                       | (2,245)                 | (1,697)                | (354)               | (1,360)                             | (3,970)                   |          |                         | (9,626)   |
| Transfer in (out)       |                 |                     |                  | 78,842                            |                     | 32,653                | 1,169                   | 28,982                 |                     |                                     |                           |          | (141,646)               | 0         |
| As at December 31, 2012 | 250,207         | 2,140,966           | 1,545            | 1,225,217                         | 1,216,902           | 202,876               | 256,362                 | 742,296                | 102,831             | 156,163                             | 39,424                    | 54,714   | 36,745                  | 6,426,248 |



### 13. Property, plant and equipment (Cont.)

#### Consolidated

(Unit : Thousand Baht)

|                               | Land            |                     | Land improvement | Building and building improvement |                     | Public utility system | Machinery and equipment | Furniture and fixtures | Furniture ornaments | Equipment for hotel and restaurants | Tool and office equipment | Vehicles | Work under construction | Total     |
|-------------------------------|-----------------|---------------------|------------------|-----------------------------------|---------------------|-----------------------|-------------------------|------------------------|---------------------|-------------------------------------|---------------------------|----------|-------------------------|-----------|
|                               | Historical cost | Revaluation surplus |                  | Historical cost                   | Revaluation surplus |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Less Accumulated depreciation |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| As at January 1, 2011         | -               | -                   | 1,537            | 634,290                           | 95,697              | 42,540                | 168,429                 | 472,251                | 75,695              | 131,287                             | 28,174                    | 38,946   |                         | 1,688,846 |
| Depreciation                  |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Cost                          |                 |                     | 1                | 19,989                            |                     | 9,211                 | 12,407                  | 39,643                 | 3,565               | 5,281                               | 3,265                     | 4,575    |                         | 97,937    |
| Revaluated                    |                 |                     |                  |                                   | 20,081              |                       |                         |                        |                     |                                     |                           |          |                         | 20,081    |
| Depreciation for:             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Disposal/Write off            |                 |                     |                  |                                   |                     | (42)                  | (3,096)                 | (11,805)               | (692)               | (5,440)                             | (1,469)                   |          |                         | (22,544)  |
| Transfer in (out)             |                 |                     |                  |                                   |                     |                       | (26)                    |                        | 242                 | (216)                               |                           |          |                         | -         |
| As at December 31, 2011       | -               | -                   | 1,538            | 654,279                           | 115,778             | 51,709                | 177,714                 | 500,089                | 78,810              | 130,912                             | 29,970                    | 43,521   | -                       | 1,784,320 |
| Depreciation                  |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Cost                          |                 |                     |                  | 15,599                            |                     | 9,257                 | 13,432                  | 37,785                 | 3,513               | 5,380                               | 3,247                     | 4,075    |                         | 92,288    |
| Revaluated                    |                 |                     |                  |                                   | 20,278              |                       |                         |                        |                     |                                     |                           |          |                         | 20,278    |
| Depreciation for:             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Disposal/Write off            |                 |                     |                  |                                   |                     |                       | (2,227)                 | (1,697)                | (354)               | (1,238)                             | (3,918)                   |          |                         | (9,434)   |
| Transfer in (out)             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| As at December 31, 2012       | -               | -                   | 1,538            | 669,878                           | 136,056             | 60,966                | 188,919                 | 536,177                | 81,969              | 135,054                             | 29,299                    | 47,596   | -                       | 1,887,452 |
| Net book value                |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| As at December 31, 2012       | 250,207         | 2,140,966           | 7                | 555,339                           | 1,080,846           | 141,910               | 67,443                  | 206,119                | 20,862              | 21,109                              | 10,125                    | 7,118    | 36,745                  | 4,538,796 |
| As at December 31, 2011       | 248,409         | 2,140,966           | 7                | 492,096                           | 536,704             | 118,514               | 73,378                  | 213,865                | 24,257              | 19,285                              | 9,481                     | 10,282   | 152,252                 | 4,039,496 |

Depreciation for the year ended December 31, 2012 and 2011 was Baht 92.28 million and Baht 97.93 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, 2012 and 2011 in the amount of Baht 1,218.20 million and Baht 1,154.09 million respectively.

As at December 31, 2012 and December 31, 2011, vehicles at net value of Baht 1.41 million and Baht 3.15 million, respectively in consolidated financial statements are under financial lease as stated in note 20.

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

## 13. Property, plant and equipment (Cont.)

|                         | Separated       |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          | (Unit : Thousand Baht)  |           |
|-------------------------|-----------------|---------------------|------------------|-----------------------------------|---------------------|-----------------------|-------------------------|------------------------|---------------------|-------------------------------------|---------------------------|----------|-------------------------|-----------|
|                         | Land            |                     | Land improvement | Building and building improvement |                     | Public utility system | Machinery and equipment | Furniture and fixtures | Furniture ornaments | Equipment for hotel and restaurants | Tool and office equipment | Vehicles | Work under construction | Total     |
|                         | Historical cost | Revaluation surplus |                  | Historical cost                   | Revaluation surplus |                       |                         |                        |                     |                                     |                           |          |                         |           |
|                         |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Cost                    |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| As at January 1, 2011   | 159,120         | 869,680             |                  | 499,071                           | 150,557             | 92,754                | 129,045                 | 425,191                | 89,011              | 100,041                             | 19,240                    | 7,137    | 12,257                  | 2,553,104 |
| purchase                |                 |                     |                  |                                   |                     | 213                   | 5,547                   | 9                      | 37                  | 903                                 | 698                       |          | 21,816                  | 29,223    |
| Revaluation             |                 | 472,160             |                  |                                   | 200,634             |                       |                         |                        |                     |                                     |                           |          |                         | 672,794   |
| Disposal/Write off      |                 |                     |                  |                                   |                     | (1,960)               | (1,041)                 | (8,380)                | (340)               | (2,794)                             | (47)                      |          |                         | (14,562)  |
| Transfer in (out)       |                 |                     |                  | (192)                             |                     | 1,137                 | 1,113                   | 8,165                  | 1,230               | (897)                               | (4)                       |          | (10,552)                | -         |
| As at December 31, 2011 | 159,120         | 1,341,840           | -                | 498,879                           | 351,191             | 92,144                | 134,664                 | 424,985                | 89,938              | 97,253                              | 19,887                    | 7,137    | 23,521                  | 3,240,559 |
| purchase                |                 |                     |                  |                                   |                     |                       | 544                     | 34                     | 42                  | 2,676                               | 584                       |          | 6,980                   | 10,860    |
| Revaluation             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| Disposal/Write off      |                 |                     |                  |                                   |                     |                       | (2,202)                 | (1,697)                | (354)               | (1,130)                             | (3,822)                   |          |                         | (9,205)   |
| Transfer in (out)       |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |           |
| As at December 31, 2012 | 159,120         | 1,341,840           | -                | 498,879                           | 351,191             | 92,144                | 133,006                 | 423,322                | 89,626              | 98,799                              | 16,649                    | 7,137    | 30,501                  | 3,242,214 |

### 13. Property, plant and equipment (Cont.)

|                               | Separated       |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         | (Unit : Thousand Baht) |
|-------------------------------|-----------------|---------------------|------------------|-----------------------------------|---------------------|-----------------------|-------------------------|------------------------|---------------------|-------------------------------------|---------------------------|----------|-------------------------|------------------------|
|                               | Land            |                     | Land improvement | Building and building improvement |                     | Public utility system | Machinery and equipment | Furniture and fixtures | Furniture ornaments | Equipment for hotel and restaurants | Tool and office equipment | Vehicles | Work under construction | Total                  |
|                               | Historical cost | Revaluation surplus |                  | Historical cost                   | Revaluation surplus |                       |                         |                        |                     |                                     |                           |          |                         |                        |
|                               |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| Less Accumulated depreciation |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| As at January 1, 2011         |                 |                     |                  | 356,115                           | 35,783              | 4,924                 | 95,034                  | 256,833                | 65,532              | 91,102                              | 16,833                    | 6,446    |                         | 928,602                |
| Depreciation                  |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| Cost                          |                 |                     |                  | 9,207                             |                     | 6,644                 | 6,404                   | 20,025                 | 2,715               | 2,104                               | 951                       | 25       |                         | 48,075                 |
| Revaluated                    |                 |                     |                  |                                   | 7,528               |                       |                         |                        |                     |                                     |                           |          |                         | 7,528                  |
| Depreciation for:             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| Disposal/Write off            |                 |                     |                  |                                   |                     | (43)                  | (1,014)                 | (8,352)                | (340)               | (2,780)                             | (47)                      |          |                         | (12,576)               |
| Transfer in (out)             |                 |                     |                  |                                   |                     |                       | (25)                    |                        | 241                 | (216)                               |                           |          |                         | -                      |
| As at December 31, 2011       | -               | -                   | -                | 365,322                           | 43,311              | 11,525                | 100,399                 | 268,506                | 68,148              | 90,210                              | 17,737                    | 6,471    | -                       | 971,629                |
| Depreciation                  |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| Cost                          |                 |                     |                  | 4,802                             |                     | 6,683                 | 6,379                   | 19,024                 | 2,731               | 2,210                               | 799                       |          |                         | 42,628                 |
| Revaluated                    |                 |                     |                  |                                   | 7,697               |                       |                         |                        |                     |                                     |                           |          |                         | 7,697                  |
| Depreciation for:             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| Disposal/Write off            |                 |                     |                  |                                   |                     |                       | (2,197)                 | (1,697)                | (354)               | (1,095)                             | (3,810)                   |          |                         | (9,153)                |
| Transfer in (out)             |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| As at December 31, 2012       | -               | -                   | -                | 370,124                           | 51,008              | 18,208                | 104,581                 | 285,833                | 70,525              | 91,325                              | 14,726                    | 6,471    | -                       | 1,012,801              |
| Net book value                |                 |                     |                  |                                   |                     |                       |                         |                        |                     |                                     |                           |          |                         |                        |
| As at December 31, 2012       | 159,120         | 1,341,840           | -                | 128,755                           | 300,183             | 73,936                | 28,425                  | 137,489                | 19,101              | 7,474                               | 1,923                     | 666      | 30,501                  | 2,229,413              |
| As at December 31, 2011       | 159,120         | 1,341,840           | -                | 133,557                           | 307,880             | 80,619                | 34,265                  | 156,479                | 21,790              | 7,043                               | 2,150                     | 666      | 23,521                  | 2,268,930              |

Depreciation for the year December 31, 2012 and 2011 was Baht 42.63 million and Baht 48.07 million, respectively.

Building and equipment have cost less accumulated depreciation which are fully depreciated but still in use as at December 31, 2012 and 2011 in amount of Baht 809.88 million and Baht 814.44 million, respectively.

### 13. Property, plant and equipment (Cont.)

In calculating depreciation on the revaluation surplus on plant that the Company and subsidiaries acquired before January 1, 2011 for preparation the financial statements for the year ended December 31, 2012, the Company and subsidiaries continued to apply the alternative method per Notification No. 25/2006 issued by the Federation of Accounting Profession (FAP), with reference to the accounting method detailed in Notification No. 18/2011 issued by the FAP announced in Royal Gazette on May 6, 2011, which allows the Company and subsidiaries to continue using the method stipulated in Notification No. 25/2006 until the accounting period commencing on or after January 1, 2016 allowing entities which carry their assets at revalued amounts to calculate depreciation to be charged to the statements of income based on the historical cost of the assets instead of on the revalued amounts. However, if the Company and subsidiaries had the depreciation charge been calculated based on the revalued amounts, net income and earnings per share would have been changed to the following:

|                                      | (Unit : Thousand Baht)               |        |          |       |
|--------------------------------------|--------------------------------------|--------|----------|-------|
|                                      | For the year ended December 31, 2012 |        |          |       |
|                                      | Consolidated                         |        | Separate |       |
|                                      | 2012                                 | 2011   | 2012     | 2011  |
| Decrease in net profit               | 20,278                               | 20,278 | 7,697    | 7,528 |
| Decrease in basic earnings per share | 0.63                                 | 0.63   | 0.24     | 0.24  |

### 14. Reappraisal

In 2011, the Company provided an independent appraiser, Siam Imperial Appraisal Co., Ltd., to appraise its land, building and construction. The appraisal report dated December 27, 2011 by using replacement cost approach (which is revalued after depreciation) in amount of Baht 672.79 million. Such amount is not included the revaluation surplus of interior and building system.

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

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

|  | (Unit : Thousand Baht)  |              |              |
|--|-------------------------|--------------|--------------|
|  | As at December 31, 2012 |              |              |
|  | The Company             | Subsidiaries | Consolidated |
| Land   | 1,341,840               | 799,126      | 2,140,966    |
| Building and construction                                  | 351,190                 | 301,293      | 652,483      |
| Total revaluation surplus of assets                        | 1,693,030               | 1,100,419    | 2,793,449    |
| Add Excess of revaluation surplus (new appraisal)          | -                       | 564,419      | 564,419      |
| Less Accumulated revaluation surplus of assets - write-off | (51,008)                | (85,049)     | (136,057)    |
|  | 1,642,022               | 1,579,789    | 3,221,811    |
| Less Non - controlling interests - net                     |                         |              | (38,340)     |
| Total all revaluation surplus of assets - net              |                         |              | 3,183,471    |

#### 14. Reappraisal (Cont.)

|  | (Unit : Thousand Baht)  |              |              |
|--|-------------------------|--------------|--------------|
|  | As at December 31, 2011 |              |              |
|  | The Company             | Subsidiaries | Consolidated |
| Land   | 869,680                 | 799,126      | 1,668,806    |
| Building and construction                                  | 150,557                 | 301,293      | 451,850      |
| Total revaluation surplus of assets                        | 1,020,237               | 1,100,419    | 2,120,656    |
| Add Excess of revaluation surplus (new appraisal)          | 672,793                 | -            | 672,793      |
| Less Accumulated revaluation surplus of assets - write-off | (43,311)                | (72,466)     | (115,777)    |
|  | 1,649,719               | 1,027,953    | 2,677,672    |
| Less Non - controlling interests - net                     |                         |              | (9,457)      |
| Total all revaluation surplus of assets - net              |                         |              | 2,668,215    |

## 15. Intangible asset

(Unit : Thousand Baht)

|                               |  | Computer software |          |
|-------------------------------|--|-------------------|----------|
|                               |  | Consolidated      | Separate |
| Cost :                        |  |                   |          |
| As at January 1, 2011         |  | 6,354             | 2,239    |
| Increase                      |  | 860               | -        |
| Disposal                      |  | -                 | -        |
| As at December 31, 2011       |  | 7,214             | 2,239    |
| Increase                      |  | 140               | 84       |
| Disposal                      |  | -                 | -        |
| As at December 31, 2012       |  | 7,354             | 2,323    |
| Less Accumulated amortization |  |                   |          |
| As at January 1, 2011         |  | 4,668             | 1,785    |
| Increase                      |  | 903               | 369      |
| Disposal                      |  | -                 | -        |
| As at December 31, 2011       |  | 5,571             | 2,154    |
| Increase                      |  | 561               | 82       |
| Disposal                      |  | -                 | -        |
| As at December 31, 2012       |  | 6,132             | 2,236    |
| Net book value                |  |                   |          |
| As at December 31, 2012       |  | 1,222             | 87       |
| As at December 31, 2011       |  | 1,643             | 85       |

Amortization for the year ended December 31, 2012 and 2011 were Baht 0.56 million and Baht 0.90 million, respectively in consolidated financial statements and Baht 0.36 Million and Baht 0.08 million in separate financial statements.

## 16. Prepaid rental

|                               | (Unit : Thousand Baht)  |          |
|-------------------------------|-------------------------|----------|
|                               | Consolidated / Separate |          |
|                               | 2012                    | 2011     |
| Beginning balance             | 29,000                  | 29,000   |
| Increase during period        | 4,915                   | -        |
| Total                         | 33,915                  | 29,000   |
| Less Accumulated amortization | (19,538)                | (18,366) |
| Net                           | 14,377                  | 10,634   |

Amortization for the year ended December 31, 2012 and 2011 was Baht 1.17 and Baht 0.97 million, respectively.

In year 2012, 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.

## 17. Bank overdrafts and short-term loans from financial institutions

|                  | (Unit : Thousand Baht) |         |          |        |
|------------------|------------------------|---------|----------|--------|
|                  | Consolidated           |         | Separate |        |
|                  | 2012                   | 2011    | 2012     | 2011   |
| Overdrafts       | 69,989                 | 65,253  | 31,737   | 34,426 |
| Promissory notes | 60,000                 | 70,000  | 10,000   | 25,000 |
| Total            | 129,989                | 135,253 | 41,737   | 59,426 |

As at December 31, 2012 and 2011, the Company and subsidiaries had the credit facilities for loans as follows:

- 17.1 The Company: Overdrafts Baht 41 million and promissory notes Baht 40 million with interest rate at MLR% were guaranteed by directors of the Company and by mortgaging the land with its construction of the Company as stated in note 13 and of Asia Pattaya Hotel Co., Ltd. and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.
- 17.2 A subsidiary–Asia Pattaya Hotel Co., Ltd.: Baht 25 million was guaranteed by directors of Asia Pattaya Hotel Co., Ltd. and by mortgaging the land with its construction of Asia Pattaya Hotel Co., Ltd., and of the Company and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.
- 17.3 A subsidiary–Asia Airport Hotel Co., Ltd. : Baht 10 million was guaranteed by the directors of the Company, Asia Airport Hotel Co., Ltd. and leasehold right on Zeer Rangsit Complex.
- 17.4 A subsidiary–Zeer Property Plc.: Overdrafts line totaling Baht 54 million and promissory notes Baht 50 million with interest rate at MOR-1% were guaranteed by the directors of the Company and of Don Muang Grand Plaza Co., Ltd., by mortgaging investment properties, land with its construction in Cha-am as leasehold right on area of Zeer Rungsit stated in note 12 and 13 and deposits at financial institution as stated in note 11.

**18. Other payable**

|                            | (Unit : Thousand Baht) |        |          |        |
|----------------------------|------------------------|--------|----------|--------|
|                            | Consolidated           |        | Separate |        |
|                            | 2012                   | 2011   | 2012     | 2011   |
| Accrued expenses           | 42,781                 | 29,962 | 11,133   | 7,582  |
| Guarantee and deposit      | 12,172                 | 6,943  | 4,027    | 3,178  |
| Unearned revenues          | 2,855                  | 2,879  | 258      | 204    |
| VAT payable and output tax | 7,961                  | 5,718  | 1,950    | 1,586  |
| Retention                  | 5,880                  | 3,073  | 363      | 583    |
| Others                     | 2,750                  | 2,426  | 390      | 357    |
| Total                      | 74,399                 | 51,001 | 18,121   | 13,490 |



## 19. Long-term loans

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

|      |                              | (Unit : Thousand Baht) |           |           |           |
|------|------------------------------|------------------------|-----------|-----------|-----------|
|      |                              | Consolidated           |           | Separate  |           |
|      |                              | 2012                   | 2011      | 2012      | 2011      |
| 19.1 | Loans from bank              | 1,109,000              | 1,167,500 | 1,109,000 | 1,167,500 |
|      | Less Current portion         | (64,500)               | (58,500)  | (64,500)  | (58,500)  |
|      | Net                          | 1,044,500              | 1,109,000 | 1,044,500 | 1,109,000 |
| 19.2 | Loans from bank - Subsidiary |                        |           |           |           |
|      | Asia Pattaya Hotel Co., Ltd. | 158,000                | 168,000   | -         | -         |
|      | Less Current portion         | (10,000)               | (10,000)  | -         | -         |
|      | Net                          | 148,000                | 158,000   | -         | -         |
| 19.3 | Loans from bank - Subsidiary |                        |           |           |           |
|      | Asia Airport Hotel Co., Ltd. | 101,500                | 109,500   | -         | -         |
|      | Less Current portion         | (8,000)                | (8,000)   | -         | -         |
|      | Net                          | 93,500                 | 101,500   | -         | -         |
| 19.4 | Loans from bank - Subsidiary |                        |           |           |           |
|      | Zeer Property Plc.           | 389,467                | 351,919   | -         | -         |
|      | Less Current portion         | (35,000)               | (29,859)  | -         | -         |
|      | Net                          | 354,467                | 322,060   | -         | -         |
| 19.5 | Loans from EGAT - Subsidiary |                        |           |           |           |
|      | Zeer Property Plc.           |                        |           |           |           |
|      | Less Current portion         | -                      | 544       | -         | -         |
|      | Net                          | -                      | (544)     | -         | -         |
|      |                              | -                      | -         | -         | -         |
|      | Total long-term liabilities  | 1,757,967              | 1,797,463 | 1,109,000 | 1,167,500 |
|      | Less Current portion         | (117,500)              | (106,903) | (64,500)  | (58,500)  |
|      | Long-term liabilities - net  | 1,640,467              | 1,690,560 | 1,044,500 | 1,109,000 |

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

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

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

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

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

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

19.4.3 On February 2, 2010, the subsidiary had loan from bank in facilities Baht 208 million in order to purchase land with construction (Cha-am Project) in amount of Baht 128 million and Baht 80 million has not been withdrawn yet with interest rate at MLR-0.25% per annum for the 1<sup>st</sup> – 2<sup>nd</sup> year and at MLR per annum for the 3<sup>rd</sup> 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.

19.5 On March 23, 2010, Zeer Property Plc. made an agreement and received subsidy of compact fluorescent lamp (CFL) project from the Electricity Generating Authority of Thailand in amount of Baht 1.63 million by making 24 installments without interest charge.

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. Liability under financial lease agreement

|  | (Unit : Thousand Baht) |         |
|--|------------------------|---------|
|  | Consolidated           |         |
|  | 2012                   | 2011    |
| Vehicles   | 8,630                  | 8,630   |
| Less Accumulated depreciation  | (7,215)                | (5,485) |
| Net book value   | 1,415                  | 3,145   |
| Minimum amount which must be paid for the above mentioned financial lease agreements : |                        |         |
| Within 1 year  | 1,812                  | 1,249   |
| Over 1 year but not over 3 years   | 415                    | 2,227   |
|  | 2,227                  | 3,476   |
| Less Future interest   | (110)                  | (271)   |
| Present value  | 2,117                  | 3,205   |
| Liabilities under financial lease agreements excluding future interest :               |                        |         |
| Liabilities under financial lease agreements   | 2,117                  | 3,205   |
| Less Current portion   | (1,724)                | (1,088) |
| Net  | 393                    | 2,117   |

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

The 1<sup>st</sup> agreement : 60 installments of Baht 47,275 each, ending in February 2013

The 2<sup>nd</sup> agreement : 60 installments of Baht 36,000 each, ending in September 2013

The 3<sup>rd</sup> agreement : 60 installments of Baht 20,773 each, ending in August 2015

## 21. Land rent payable recognised under financial lease agreements

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

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

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

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

|                                   | (Unit : Thousand Baht) |           |
|-----------------------------------|------------------------|-----------|
|                                   | Consolidated           |           |
|                                   | 2012                   | 2011      |
| Within 1 year                     | 23,765                 | 19,513    |
| Over 1 year but not over 3 years  | 50,666                 | 47,749    |
| Over 3 years but not over 5 years | 55,166                 | 54,266    |
| Over 5 years                      | 500,124                | 527,706   |
|                                   | 629,721                | 649,234   |
| Less future interest              | (335,529)              | (352,872) |
| Accrued interest rental           | (15,081)               | (17,251)  |
| Present value                     | 279,111                | 279,111   |

The lease payment is recognized on a financial lease basis. The Company recorded the difference of interest amount, calculated based on present value with discount rate at percentage of 6.125 per annum, and installment payment in accordance with the agreement in the account name "Accrued interest expense-land rental". The Company will pay the principle commencing on April 2015.

## 22. Employee benefit obligation

| (Unit: Thousand Baht)                |              |         |          |        |
|--------------------------------------|--------------|---------|----------|--------|
|                                      | Consolidated |         | Separate |        |
|                                      | 2012         | 2011    | 2012     | 2011   |
| Employee benefit obligation          |              |         |          |        |
| Beginning balance                    | 48,896       | 43,523  | 22,083   | 19,708 |
| Employee benefit expense             | 7,192        | 6,694   | 3,062    | 2,668  |
| Decrease in employee benefit expense | (777)        | (1,321) | (776)    | (293)  |
| Ending balance                       | 55,311       | 48,896  | 24,369   | 22,083 |

| (Unit : Thousand Baht)           |              |       |          |       |
|----------------------------------|--------------|-------|----------|-------|
|                                  | Consolidated |       | Separate |       |
|                                  | 2012         | 2011  | 2012     | 2011  |
| Employee benefits payment        |              |       |          |       |
| For the year                     |              |       |          |       |
| Service cost from hotel business | 2,982        | 2,739 | 1,461    | 1,330 |
| Cost of rental and service       | 239          | 380   |          |       |
| Selling expense                  | 249          | 206   |          |       |
| Administrative expense           | 3,722        | 3,369 | 1,601    | 1,338 |
| Total                            | 7,192        | 6,694 | 3,062    | 2,668 |

## 23. Guarantee for rental

| (Unit : Thousand Baht)       |              |         |          |       |
|------------------------------|--------------|---------|----------|-------|
|                              | Consolidated |         | Separate |       |
|                              | 2012         | 2011    | 2012     | 2011  |
| Asia Hotel Plc.              | 7,972        | 6,953   | 7,972    | 6,953 |
| Asia Airport Hotel Co., Ltd. | 910          | 1,033   | -        | -     |
| Asia Pattaya Hotel Co., Ltd. | 198          | 252     | -        | -     |
| Zeer Property Plc.           | 138,955      | 126,077 | -        | -     |
| Total                        | 148,035      | 134,315 | 7,972    | 6,953 |

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

## 24. Deferred income - leasehold rights on leased area

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

|  | (Unit: Thousand Baht) |           |
|--|-----------------------|-----------|
|  | Consolidated          |           |
|  | 2012                  | 2011      |
| Deferred income-leasehold rights on lease area       | 223,921               | 223,921   |
| Less Accumulated amortization                        | (152,428)             | (145,199) |
|  | 71,493                | 78,722    |
| Less Current portion                                 | (8,278)               | (8,278)   |
| Net  | 63,215                | 70,444    |
| Deferred income is recognized as revenue as follow : |                       |           |
| Within 1 year  | 8,278                 | 8,278     |
| Over 1 year but not over 5 years                     | 33,113                | 33,113    |
| Over 5 years   | 30,102                | 41,391    |
| Total  | 71,493                | 82,782    |

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.

## 25. Related party transactions

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

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

## 25. Related party transactions (Cont.)

|                                  |   | (Unit: Thousand Baht) |      |          |      |
|----------------------------------|---|-----------------------|------|----------|------|
|                                  |   | Consolidated          |      | Separate |      |
| Statements of financial position |   | 2012                  | 2011 | 2012     | 2011 |
| 25.1 Accounts receivable         |   |                       |      |          |      |
| Subsidiaries                     |   |                       |      |          |      |
| Asia Pattaya Hotel Co., Ltd.     | - | -                     | 50   | 142      |      |
| Asia Airport Hotel Co., Ltd.     | - | -                     | 264  | 315      |      |
| Zeer Property Plc.               | - | -                     | 22   | 13       |      |
| 25.2 Accrued income              |   |                       |      |          |      |
| Subsidiaries                     |   |                       |      |          |      |
| Asia Pattaya Hotel Co., Ltd.     | - | -                     | 1    | -        |      |
| Asia Airport Hotel Co., Ltd.     | - | -                     | 186  | -        |      |
| 25.3 Other receivable            |   |                       |      |          |      |
| Subsidiaries                     |   |                       |      |          |      |
| Asia Pattaya Hotel Co., Ltd.     | - | -                     | -    | 2,932    |      |

## 25. Related party transactions (Cont.)

(Unit : Thousand Baht)

|  | Consolidated |           | Separate  |           | Policy to charge the<br>Inter-company borrowing<br>cost ( % ) |      |
|--|--------------|-----------|-----------|-----------|---|------|
|  | 2012         | 2011      | 2012      | 2011      | 2012  | 2011 |
|  |              |           |           |           |   |      |
| 25.4 Long - term loans - accounts receivable and accrued interest income - related parties |              |           |           |           |   |      |
| <b>Long - term loans</b>   |              |           |           |           |   |      |
| Related company  |              |           |           |           |   |      |
| A.B.K. Enterprise Co., Ltd.  |              |           |           |           |   |      |
| - Loans  | -            | -         | -         | -         |   |      |
| - Accrued interest income  | 394,640      | 419,840   | 394,640   | 419,840   |   |      |
| Total  | 394,640      | 419,840   | 394,640   | 419,840   |   |      |
| Less Provision for doubtful debt   | (308,059)    | (327,982) | (308,059) | (327,982) |   |      |
| Net  | 86,581       | 91,858    | 86,581    | 91,858    |   |      |
| <b>Receivable</b>  |              |           |           |           |   |      |
| Related company  |              |           |           |           |   |      |
| A.B.K. Enterprise Co., Ltd.  | -            | -         | -         | -         |   |      |
| Less Provision for doubtful debt   | -            | -         | -         | -         |   |      |
| Total  | -            | -         | -         | -         |   |      |
| Total loans and accounts receivable  | 394,640      | 419,840   | 394,640   | 419,840   |   |      |
| Less Provision for doubtful debt   | (308,059)    | (327,982) | (308,059) | (327,982) |   |      |
| Long-term loans and accounts receivable - net  | 86,581       | 91,858    | 86,581    | 91,858    |   |      |

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 :



## 25. Related party transactions (Cont.)

The remaining accrued interest of Baht 471.84 million as follows :

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

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

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

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

In year 2012, the above reversals of provision for doubtful debt of total interest receivable in the amount of Baht 102 million were based on the present value of the principal amount of bank guarantees of Baht 86.58 million as per the repayment schedule. The detail of bank guarantees are presented as follows:

| <u>Guarantee period</u> |                   | <u>Amount</u>   |
|-------------------------|-------------------|-----------------|
| <u>From</u>             | <u>To</u>         | (Million Baht)  |
| August 1, 2008          | December 31, 2013 | 12              |
| August 1, 2008          | December 31, 2014 | 15              |
| August 1, 2008          | December 31, 2015 | 75              |
| Total                   |                   | <hr/> 102 <hr/> |

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

## 25. Related party transactions (Cont.)

| (Unit : Thousand Baht)                             |              |          |          |         |
|--|--------------|----------|----------|---------|
|  | Consolidated |          | Separate |         |
|  | 2012         | 2011     | 2012     | 2011    |
| <b>Long-term loans and accrued interest income</b> |              |          |          |         |
| Related company                                    |              |          |          |         |
| A.B.K. Enterprise Co., Ltd.                        |              |          |          |         |
| Beginning balance                                  | 419,840      | 422,340  | 419,840  | 422,340 |
| Repayment during the period                        | (25,200)     | (2,500)  | (25,200) | (2,500) |
| Ending balance                                     | 394,640      | 419,840  | 394,640  | 419,840 |
| <b>Receivable</b>                                  |              |          |          |         |
| Related company                                    |              |          |          |         |
| A.B.K. Enterprise Co., Ltd.                        |              |          |          |         |
| Beginning balance                                  | -            | 22,420   | -        | -       |
| Increase during the period                         | -            | 718      | -        | -       |
| Repayment during the period                        | -            | (23,138) | -        | -       |
| Ending balance                                     | -            | -        | -        | -       |

## 25. Related party transactions (Cont.)

| (Unit : Thousand Baht)   |              |      |          |         |  |
|--|--------------|------|----------|---------|--|
|  | Consolidated |      | Separate |         | Policy to charge the Inter-company<br>borrowing cost ( % ) |
|  | 2012         | 2011 | 2012     | 2011    | 2012 2011  |
| 25.5 Accounts payable  |              |      |          |         |  |
| Subsidiaries   |              |      |          |         |  |
| Asia - Loans   | -            | -    | 45       | -       |  |
| 25.6 Short-term loans and accrued interest<br>expenses from related parties  |              |      |          |         |  |
| Subsidiaries   |              |      |          |         |  |
| Asia Pattaya Hotel Co., Ltd.   |              |      |          |         |  |
| - Loans  | -            | -    | 152,455  | 160,855 | 7.25 6.00  |
| - Accrued interest expense   | -            | -    | 96,967   | 85,361  |  |
| Total  | -            | -    | 249,422  | 246,216 |  |
| Asia Airport Hotel Co., Ltd.   |              |      |          |         |  |
| - Loans  | -            | -    | 12,621   | 28,306  | 7.25 6.00  |
| - Accrued interest expense   | -            | -    | 18,722   | 17,469  |  |
| Total  | -            | -    | 31,343   | 45,775  |  |
| Total short-term loans and accrued interest<br>expenses from related parties | -            | -    | 280,765  | 291,991 |  |

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

## 25. Related party transactions (Cont.)

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

|   |           | (Unit : Thousand Baht) |          |          |      |
|---|-----------|------------------------|----------|----------|------|
|   |           | Consolidated           |          | Separate |      |
|   |           | 2012                   | 2011     | 2012     | 2011 |
| <b>Short-term loans</b>                                     |           |                        |          |          |      |
| Subsidiaries  |           |                        |          |          |      |
| Asia Pattaya Hotel Co., Ltd.                                |           |                        |          |          |      |
| Beginning balance   | -         | -                      | 160,855  | 134,055  |      |
| Increase during the period                                  | -         | -                      | -        | 34,700   |      |
| Repayment during the period                                 | -         | -                      | (8,400)  | (7,900)  |      |
| Ending balance  | -         | -                      | 152,455  | 160,855  |      |
| Asia Airport Hotel Co., Ltd.                                |           |                        |          |          |      |
| Beginning balance   | -         | -                      | 28,306   | 16,671   |      |
| Increase during the period                                  | -         | -                      | 4,100    | 26,635   |      |
| Repayment during the period                                 | -         | -                      | (19,785) | (15,000) |      |
| Ending balance  | -         | -                      | 12,621   | 28,306   |      |
| <b>Accrued interest expenses</b>                            |           |                        |          |          |      |
| Subsidiaries  |           |                        |          |          |      |
| Asia Pattaya Hotel Co., Ltd.                                |           |                        |          |          |      |
| Beginning balance   | -         | -                      | 85,361   | 75,902   |      |
| Increase during the period                                  | -         | -                      | 11,606   | 9,459    |      |
| Repayment during the period                                 | -         | -                      | -        | -        |      |
| Ending balance  | -         | -                      | 96,967   | 85,361   |      |
| Asia Airport Hotel Co., Ltd.                                |           |                        |          |          |      |
| Beginning balance   | -         | -                      | 17,469   | 15,626   |      |
| Increase during the period                                  | -         | -                      | 1,253    | 1,843    |      |
| Repayment during the period                                 | -         | -                      | -        | -        |      |
| Ending balance  | -         | -                      | 18,722   | 17,469   |      |
| 25.6 Land rental recognised under financial lease agreement |           |                        |          |          |      |
| Don Mung Grand Plaza Co., Ltd.                              |           |                        |          |          |      |
| Liabilities under financial lease agreement                 | 629,721   | 649,234                | -        | -        |      |
| Future interest of financial lease agreement                | (335,529) | (352,872)              | -        | -        |      |
| Accrued deferred interest expenses - land rental            | (15,081)  | (17,251)               | -        | -        |      |
| Total   | 279,111   | 279,111                | -        | -        |      |

## 25. Related party transactions (Cont)

(Unit : Thousand Baht)

|   | For the year ended December 31, |        |          |        |  |
|---|---------------------------------|--------|----------|--------|--|
|   | Consolidated                    |        | Separate |        | Pricing Policy   |
|   | 2012                            | 2011   | 2012     | 2011   |  |
| <b>Statements of comprehensive income</b> |                                 |        |          |        |  |
| <b>Interest income</b>                    |                                 |        |          |        |  |
| Related company                           |                                 |        |          |        |  |
| A.B.K. Enterprise Co., Ltd.               | -                               | 178    | -        | -      | 8.00% per annum  |
| <b>Rental income</b>                      |                                 |        |          |        |  |
| Subsidiary                                |                                 |        |          |        |  |
| Asia Pattaya Hotel Co., Ltd.              | -                               | -      | 1,200    | 1,200  | At agreement   |
| <b>Other income</b>                       |                                 |        |          |        |  |
| Subsidiaries                              |                                 |        |          |        |  |
| Asia Airport Hotel Co., Ltd.              | -                               | -      | -        | 2,127  | Cost plus margin   |
| Asia Pattaya Hotel Co., Ltd.              | -                               | -      | -        | 304    | Cost plus margin   |
| Zeer Property Plc.                        | -                               | -      | -        | 37     | Cost plus margin   |
| <b>Dividend income</b>                    |                                 |        |          |        |  |
| Subsidiaries                              |                                 |        |          |        |  |
| Zeer Property Plc.                        | -                               | -      | 117,377  | 64,024 |  |
| <b>Gain on asset disposal</b>             |                                 |        |          |        |  |
| Subsidiaries                              |                                 |        |          |        |  |
| Asia Airport Hotel Co., Ltd.              | -                               | -      | -        | 2,482  |  |
| <b>Amortized interest on land rental</b>  |                                 |        |          |        |  |
| Related company                           |                                 |        |          |        |  |
| Don Mung Grand Plaza Co., Ltd.            | 17,343                          | 15,763 | -        | -      | At agreement   |
| <b>Interest expenses</b>                  |                                 |        |          |        |  |
| Subsidiaries                              |                                 |        |          |        |  |
| Asia Airport Hotel Co., Ltd.              | -                               | -      | 1,253    | 1,843  | In 2012 : 7.25% per annum and<br>In 2011 : 6.00% per annum |
| Asia Pattaya Hotel Co., Ltd.              | -                               | -      | 11,606   | 9,459  | In 2012 : 7.25% per annum and<br>In 2011 : 6.00% per annum |

## 26. Commitments and contingent liabilities

As at December 31, 2012 and 2011, the Company and subsidiaries had the contingent liabilities, as follows:

- 26.1 Letters of guarantee issued by banks are as follows:
  - 26.1.1 The Company : in the amount of Baht 3.07 million.
  - 26.1.2 Subsidiary – Asia Pattaya Hotel Co., Ltd. : in the amount of Baht 1.32 million.
  - 26.1.3 Subsidiary – Zeer Property Plc. : in the amount of Baht 16.11 million and Baht 14.50 million, respectively.
  - 26.1.4 Subsidiary – Asia Airport Hotel Co., Ltd. : in the amount of Baht 1.20 million.
- 26.2 The Company guaranteed liabilities of its two subsidiaries in the amount of Baht 990 million.
- 26.3 The subsidiary – Asia Pattaya Hotel Co., Ltd. guaranteed liabilities of the Company and two subsidiaries in the amount of Baht 2,185 million.
- 26.4 The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of Baht 1,645 million.
- 26.5 As at September 30, 2012 and December 31, 2011, the subsidiary – Zeer Property Plc. had credit line to guarantee liabilities of other companies in the amount of Baht 109.11 million and Baht 112.38 million, respectively.
- 26.6 The subsidiary – Zeer Property Plc. was sued by two insurance companies on the matter of violation on sub insurance right for the total amount of Baht 0.60 million. Presently the cases are still pending in , the Appeal Court and the Supreme Court.
- 26.7 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.
- 26.8 As at December 31, 2012, the subsidiary– Zeer Property Plc. has obligation to pay for construction project in the future in the amount of Baht 68.13 million.

## 27. Segment information

Segment information on operation of the Company and subsidiaries for the year ended December 31, 2012 and 2011 (restated) consisted of :

|  | (Unit : Thousand Baht) |           |                   |           |                     |           |                     |         |           |           |
|--|------------------------|-----------|-------------------|-----------|---------------------|-----------|---------------------|---------|-----------|-----------|
|  | Domestic               |           |                   |           |                     |           | Abroad              |         | Total     |           |
|  | Room                   |           | Food and beverage |           | Rental and services |           | Rental and services |         |           |           |
|  | 2012                   | 2011      | 2012              | 2011      | 2012                | 2011      | 2012                | 2011    | 2012      | 2011      |
| Income from hotel business                               | 374,569                | 286,709   | 242,920           | 174,986   | -                   | -         | -                   | -       | 617,489   | 461,695   |
| Cost of hotel business                                   | (234,161)              | (216,003) | (168,555)         | (143,555) | -                   | -         | -                   | -       | (402,716) | (359,558) |
| Income from rental and service                           | -                      | -         | -                 | -         | 518,807             | 437,654   | 18,391              | 8,173   | 537,198   | 445,827   |
| Cost of rental and service                               | -                      | -         | -                 | -         | (254,886)           | (209,384) | (5,324)             | (1,147) | (260,210) | (210,531) |
| Amortized interest on land                               |                        |           |                   |           |                     |           |                     |         |           |           |
| rental under financial lease                             | -                      | -         | -                 | -         | (17,344)            | (15,764)  | -                   | -       | (17,344)  | (15,764)  |
| Gross profit   | 140,408                | 70,706    | 74,365            | 31,431    | 246,577             | 212,506   | 13,067              | 7,026   | 474,417   | 321,669   |
| Interest income  |                        |           |                   |           |                     |           |                     |         | 531       | 1,273     |
| Income on insurance compensation                         |                        |           |                   |           |                     |           |                     |         | 30,000    | -         |
| Others income  |                        |           |                   |           |                     |           |                     |         | 51,796    | 52,920    |
| Gain from fair value adjustment of investment properties |                        |           |                   |           |                     |           |                     |         | 15,229    | 38,121    |
| Gain (Loss) on sale for asset                            |                        |           |                   |           |                     |           |                     |         | 14        | 8         |
| Profit before expense                                    |                        |           |                   |           |                     |           |                     |         | 571,987   | 413,991   |
| Selling expenses   |                        |           |                   |           |                     |           |                     |         | (33,426)  | (27,820)  |
| Administrative expenses                                  |                        |           |                   |           |                     |           |                     |         | (178,343) | (157,240) |
| Management benefit expenses                              |                        |           |                   |           |                     |           |                     |         | (18,187)  | (17,274)  |
| Directors' remuneration                                  |                        |           |                   |           |                     |           |                     |         | (3,523)   | (3,336)   |
| Reversal provision for doubtful debt (Doubtful debt)     |                        |           |                   |           |                     |           |                     |         | 18,200    | 27,561    |
| Bad Debt   |                        |           |                   |           |                     |           |                     |         | (921)     | (838)     |
| Financial cost   |                        |           |                   |           |                     |           |                     |         | (125,124) | (121,483) |
| Profit before corporate income tax                       |                        |           |                   |           |                     |           |                     |         | 230,663   | 113,561   |
| Corporate income tax                                     |                        |           |                   |           |                     |           |                     |         | (43,768)  | (42,338)  |
| Net profit   |                        |           |                   |           |                     |           |                     |         | 186,895   | 71,223    |
| Attributable to  |                        |           |                   |           |                     |           |                     |         |           |           |
| Equity holders of the parent                             |                        |           |                   |           |                     |           |                     |         | 176,535   | 58,578    |
| Non - controlling interests                              |                        |           |                   |           |                     |           |                     |         | 10,360    | 12,655    |
| Net assets   |                        |           |                   |           |                     |           |                     |         |           |           |
| Investment properties                                    |                        |           |                   |           |                     |           |                     |         | 4,666,281 | 4,525,666 |
| Property, plant and equipment                            |                        |           |                   |           |                     |           |                     |         | 4,538,796 | 4,039,496 |
| Other assets   |                        |           |                   |           |                     |           |                     |         | 328,808   | 268,954   |
| Total assets   |                        |           |                   |           |                     |           |                     |         | 9,533,885 | 8,834,116 |

## 27. Segment information (Cont.)

Segment information on geographic of the Company and subsidiaries at the ended September 30, 2012 and December 31, 2011 (restated) consisted of :

|                               | (Unit :Thousand Baht) |           |          |         |           |           |
|-------------------------------|-----------------------|-----------|----------|---------|-----------|-----------|
|                               | Domestic              |           | Overseas |         | Total     |           |
|                               | 2012                  | 2011      | 2012     | 2011    | 2012      | 2011      |
| Investment properties         | 4,475,543             | 4,293,766 | 190,738  | 231,900 | 4,666,281 | 4,525,666 |
| Property, plant and equipment | 4,538,796             | 4,039,496 | -        | -       | 4,538,796 | 4,039,496 |

## 28. Dividend expense

- 28.1 At the board of directors' meeting No. 9/2012 held on September 13, 2012. The Company pass a resolution to pay interim dividend from net profit of the period January 2012 to June 2012 at the rate Baht 0.85 per share for 32 million shares, totalling Baht 27.20 million. The dividend was paid on October 10, 2012.
- 28.2 At the ordinary shareholders' meeting No. 1/2012 held on April 10, 2012 the subsidiary, Zeer Property Plc., passed a resolution to pay annual dividend from net profit of the period January 2011 to December 2011 at the rate Baht 0.45 per share for 225 million shares, totaling Baht 101.25 million. Zeer Property Plc. has paid interim dividends on July 27, 2011 at the rate Baht 0.15 per share in amount of Baht 33.75 million and January 30, 2012 at the rate Baht 0.15 per share in amount of Baht 33.75 million and the remaining dividend at Baht 0.15 per share in amount of Baht 33.75 million was paid on April 27, 2012.
- 28.3 At the board of directors' meeting No. 5/2012 held on August 8, 2012 the subsidiary, Zeer Property Plc., passed a resolution to pay interim dividend from net profit of the period January 2012 to June 2012 at the rate Baht 0.25 per share for 225 million shares, totalling Baht 56.25 million was paid on September 4, 2012.

## 29. Legal reserve

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

## 30. Provident fund

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

The Company paid for employees provident fund are as follows :

For the year ended December 31, 2012 and 2011, the Company paid in amount of Baht 3.47 million and Baht 3.56 million, respectively.



### 31. Other income

Other income of the Company and subsidiaries are as follows:

| (Unit : Thousand Baht)          |              |        |          |        |
|---------------------------------|--------------|--------|----------|--------|
| For the year ended December 31, |              |        |          |        |
|                                 | Consolidated |        | Separate |        |
|                                 | 2012         | 2011   | 2012     | 2011   |
| Health club and car parking     | 4,031        | 7,323  | 1,808    | 2,468  |
| Rental, service and electricity | 35,859       | 28,974 | 31,867   | 25,706 |
| Gain on exchange rate           | 1,229        | 1,166  | 881      | 775    |
| Gain from sale of assets        | 107          | 7      | 102      | 2,515  |
| Compensation income             | -            | -      | -        | -      |
| Others                          | 10,584       | 15,467 | 4,862    | 8,092  |
| Total                           | 51,810       | 52,937 | 39,520   | 39,556 |

### 32. Expenses analyze by nature

Significant expenses analyzed by nature as follows :

| (Unit : Thousand Baht)                          |              |         |          |         |
|---|--------------|---------|----------|---------|
| For the year ended December 31,                 |              |         |          |         |
|   | Consolidated |         | Separate |         |
|   | 2012         | 2011    | 2012     | 2011    |
| Salaries, wages and other benefits for employee | 292,353      | 237,740 | 139,721  | 131,412 |
| Depreciation                                    | 92,288       | 97,939  | 42,629   | 48,074  |
| Change in inventories                           | (1,713)      | (7,019) | (235)    | (768)   |
| Electricity and water                           | 189,668      | 131,919 | 32,239   | 26,854  |
| Cost of foods and beverage                      | 81,230       | 36,251  | 36,924   | 29,553  |
| Repair and maintenance                          | 75,317       | 51,628  | 5,128    | 6,840   |

### 33. 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.

### **34. 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.

### **35. Capital management**

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

### **36. Disclosure of financial instruments**

In accordance with TAS 32 (Revised 2007) “Presentations and Disclosure of Financial Instruments” (Formerly TAS 48), the disclosures of the financial instruments are as follows:

#### **36.1 Credit risk**

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

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

#### **36.2 Interest rate risk**

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

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

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

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

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

### **37. Impact from flood crisis and Fire**

37.1 From severe flood crisis in Thailand in year 2011, the subsidiary, Zeer Property Plc, is located in the flood area affected by flood crisis. The subsidiary has damaged properties from flood crisis and has written off them in accounting records resulting in total loss in the amount of Baht 13.91 million. However, the subsidiary insured its property for loss or physical damages to properties from flood crisis and received part of indemnity in the amount of Baht 30 million and at present it is during indemnity assessment for such damages.

37.2 On January 13, 2013, the subsidiary had property damage in a small portion from fire. However, the subsidiary insured its property for damages from fire. At present, it is during Indemnity assessment for such damages.

### **38. Subsequent events after date on financial statements**

According to the minutes of Board of Directors' meeting No. 2/2013 held on March 1, 2013, Board of Directors passed resolution to propose shareholders' meeting to appropriate legal reserve and approve annual dividend payment for operating result from January 1, 2012 to December 31, 2012 at the rate of Baht 1.40 per share 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 will be at the rate of Baht 0.55 per share in the amount of Baht 17.60 million. The list of shareholders' names who have right to receive dividend will be determined on May 13, 2013 and collection of name lists under Section 225 of Securities and Exchange Acts by register book closing on May 14, 2013. The company fixed the date of dividend payment on May 29, 2013.

### 39. The cumulative effect of accounting error adjustment

39.1 The subsidiary, Zeer Property Plc, adjusted accounting error related to recording of rental income from long-term lease agreements which was previously recorded for each period based on term of agreements, changed to straight-line method over the lease period. The adjustment was made retrospectively from beginning which has effects to the financial statements, presented for the comparison purpose, as follows :

|   | (Unit : Thousand Baht) |
|---|------------------------|
|   | Consolidated           |
|   | Increase (Decrease)    |
| <b>Statement of financial position</b>                |                        |
| As at January 1, 2011                                 |                        |
| Trade accounts receivable and other receivable        | 5,774                  |
| Unappropriated retained earnings                      | 5,476                  |
| Non-controlling interest                              | 298                    |
| As at December 31, 2011                               |                        |
| Trade accounts receivable and other receivable        | 5,979                  |
| Unappropriated retained earnings                      | 5,057                  |
| Other components of equity                            | 9                      |
| Non-controlling interest                              | 913                    |
| <b>Statements of comprehensive income</b>             |                        |
| For the year ended December 31, 2011                  |                        |
| Rental and service income                             | 195                    |
| Net profit for the period                             | 195                    |
| Difference on exchange rate from currency transtation | 9                      |
| Total comprehensive income attributable to :          |                        |
| Equity holders of the parent                          | 185                    |
| Non-controlling interests                             | 10                     |
| Basic earnings per share (Baht)                       | 0.006                  |

39.2 The subsidiary, Zeer Property Plc. adjusted accounting error about deferred income recognition – Leasehold right which the subsidiary recognized as income although leasehold right had remaining term. The subsidiary adjusted retrospectively. The effects are as follows.

(Unit : Thousand Baht)

Consolidated

**Statement of financial position**

As at January 1, 2011

|  |          |
|--|----------|
| Deferred income - Leasehold right for area | 52,448   |
| Unappropriated Retained earnings           | (49,746) |
| Non-Controlling interest                   | (2,702)  |

As at December 31, 2011

|  |          |
|--|----------|
| Deferred income - Leasehold right for area | (48,154) |
| Unappropriated Retained earnings           | (45,674) |
| Non-Controlling interest                   | (2,480)  |

**Statements of comprehensive income**

|                           |       |
|---------------------------|-------|
| Rental and service income | 4,293 |
| Earnings per share (Baht) | 0.135 |

39.3 The Company adjusted retrospectively for partial investment properties which Zeer Property Plc. uses for operating hotel business as property, building and equipment. The effect to financial statements presented for comparative purpose is as follows.

(Unit : Thousand Baht)

|  | Consolidated        |
|--|---------------------|
|  | Increase (Decrease) |
| <b>Statements of financial position</b>                  |                     |
| As at January 1, 2011                                    |                     |
| Investment Properties                                    | (122,647)           |
| Property, Building and Equipment                         | 281,236             |
| Unappropriated Retained Earning                          | 75,658              |
| Revaluation surplus                                      | 74,763              |
| Non-controlling interest                                 | 8,167               |
| As at December 31, 2011                                  |                     |
| Investment Properties                                    | (119,234)           |
| Property, Building and Equipment                         | 272,713             |
| Unappropriated Retained Earning                          | 73,078              |
| Revaluation surplus                                      | 72,498              |
| Non-controlling interest                                 | 7,903               |
| <b>Statements of Comprehensive Income</b>                |                     |
| At the year ended December 31, 2011                      |                     |
| Gain from fair value adjustment of investment properties | 3,413               |
| Depreciation   | 6,134               |
| Profit for the period                                    | (2,720)             |
| Revaluation surplus - amortization                       | 2,389               |
| Basic earnings per share (Baht)                          | 0.086               |

#### 40. Approval of financial statements

These financial statements were approved by the Company's Board of Directors on March 1, 2013.

# BOARD OF DIRECTOR



นายก้าพล เตชะหรวจิตร  
MR. KUMPOL TECHARUVICHIT  
ประธานกรรมการและกรรมการผู้อำนวยการ  
CHAIRMAN OF THE BOARD



นางสุวิมล เตชะหรวจิตร  
MRS. SUVIMOL TECHARUVICHIT  
กรรมการ  
DIRECTOR



นายอมร เตชะหรวจิตร  
MR. AMORN TECHARUVICHIT  
รองประธานกรรมการ  
VICE CHAIRMAN



นายสุรพงษ์ เตชะหรวจิตร  
MR. SURAPONG TECHARUVICHIT  
กรรมการ  
DIRECTOR





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



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



**นายสมบัติ ผู้พัฒนาหิรัญกุล**  
MR. SOMBUT PUPIPATHIRUNKUL  
กรรมการ (กรรมการอิสระ)  
DIRECTOR (INDEPENDENT DIRECTOR)



**นางพรพรรณ ตันอริยกุล**  
MRS. PORNPORN TANARIYAKUL  
กรรมการ  
DIRECTOR



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



**Details of Directors as of December 31, 2012**
**Attachment 1**

| Name   | Educational Background  | No. of Shares Held    | Family Relationship   | Experience for the past 5 years  |  | Type of Business   |
|--|---|-----------------------|---|--|--|--|
| 1. Mr. Kumpol Techaruvichit<br>Chairman of the Board<br>and Executive Committee<br>Managing Director<br>Age 81 years<br>As director 46 years ago | Distinative Honorary<br>Degree<br>Western Pacific University<br>Hawaii , USA<br>Certificate of Attendance<br>DAP # 7/2004 from IOD.                         | 561,996<br>(1.76%)    | Husband of<br>Mrs.Suvimol,<br>Elder Brother of<br>Mr. Amorn,<br>Father of Mr.Surapong<br>Mrs.Pornpun and<br>Mrs. Oyetip | 1993 - Present<br>1992 - Present<br>1991 - Present<br>2008 - Mar 2012<br>1990 - 2008<br>1989 - Present<br>1988 - Present<br>1988 - Present<br>1976 - Present<br>1972 - Present<br>1966 - Present | Director, N.S.B. Co., Ltd.<br>Chairman of the Board and M.D., Asia Airport Hotel Co.,Ltd.<br>Chairman of the Board, Nam Seng Insurance Public Co., Ltd.<br>Director, Zeer Property Public Co.,Ltd.<br>Chairman of the Board, Zeer Property Co.,Ltd.<br>Chairman of the Board, Pamatoy Co., Ltd.<br>Chairman of the Board and M.D., Pattaya Hotel Trading Co.,Ltd.<br>Chairman of the Board and M.D., A.B.K. Enterprise Co.,Ltd.<br>Chairman of the Board, N.S.Alliance Co., Ltd.<br>Chairman of the Board and M.D., Asia Pattaya Hotel Co.,Ltd.<br>Chairman of the Board and Executive Committee and M.D., Asia Hotel Public Company Limited | Real Estate<br>Hotel & Rest.<br>Insurance<br>Area Subcontract<br>Area Subcontract<br>Manufacture<br>Investment<br>Holding Company<br>Holding Company<br>Hotel & Rest.<br>Hotel & Rest. |
| 2. Mr. Amorn Techaruvichit<br>Vice Chairman,<br>Deputy Managing Director<br>Executive Director<br>Age 66 years<br>As director 31 years ago       | MBA.<br>WORDBARY COLLEGE,<br>L.A. USA.<br>Certificate of Attendance<br>DAP # 7/2004 from IOD.   | 70,000<br>(0.22%)     | Younger Brother of<br>Mr. Kumpol,   | 1992 - Present<br>1990 - May 2011<br>1988 - Present<br>1981 - Present<br>1969 - Present  | Deputy Managing Director, Asia Airport Hotel Co.,Ltd.<br>Deputy Chairman of the Board, Director, Zeer Property Co.,Ltd.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Deputy Managing Director and Executive Director,<br>Asia Hotel Public Company Limited<br>Deputy Managing Director, Asia Pattaya Hotel Co.,Ltd.  | Hotel & Rest.<br>Area Subcontract<br>Holding<br>Hotel & Rest.<br>Hotel & Rest.   |
| 3. Mr.Surapong Techaruvichit<br>Assistant Managing Director<br>Executive Director<br>Age 54 years<br>As director 28 years ago                    | Bachelor Degree in Economics<br>Chulalongkorn University<br>MBA, NIDA, Bangkok<br>Certificate of Attendance<br>DAP # 7/2004 and<br>DCP # 167/2012 from IOD. | 226,666<br>(0.71%)    | Son of Mr.Kumpol<br>and Mrs. Suvimol<br>Elder brother of<br>Mr.Pornpun  | 1992- Present<br>1990 Mar.2012<br>1989- Present<br>1988- Present<br>1984- Present<br>1983- Present   | Assistant Managing Director, Asia Airport Hotel Co.,Ltd.<br>Director, Zeer Property Public Co.,Ltd.<br>Director, Pamatoy Co.,Ltd.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Assistant Managing Director and Executive Director,<br>Asia Hotel Public Company Limited<br>Assistant Managing Director, Asia Pattaya Hotel Co.,Ltd.  | Hotel & Rest.<br>Area Subcontract<br>Manufacture<br>Holding<br>Hotel & Rest.<br>Hotel & Rest.  |
| 4. Mrs.Pornpun Tanariyakul<br>Assistant Managing Director<br>Executive Director<br>Age 53 years<br>As director 12 years ago                      | Bachelor Degree in Accounting and<br>MBA , Chulalongkorn University<br>Certificate of Attendance<br>DAP # 6/2003 from IOD.                                  | 3,572,775<br>(11.16%) | Daughter of Mr.Kumpol<br>& Mrs. Suvimol<br>younger sister of<br>Mr.Surapong   | 2003 - Present<br>2000 - Present<br>1992 - Present<br>1988 - Present   | Managing Director, Pamatoy Co., Ltd.<br>Assistant Managing Director, ASIA Hotel Public Company Limited<br>Assistant Managing Director, Asia Airport Hotel Co., Ltd.<br>Assistant Managing Director, Asia Pattaya Hotel Co., Ltd.   | Manufacture<br>Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.   |

**Details of Directors as of December 31, 2012 (continued)**
**Attachment 1**

| Name  | Educational Background  | No. of Shares Held | Family Relationship   | Experience for the past 5 years  |  | Type of Business  |
|---|---|--------------------|---|--|--|---|
| 5. Mrs.Suvimol Techaruvichit<br>Director<br>Age 80 years<br>As director 46 years ago  | Certificate in Commerce and Accountancy<br>Certificate of Attendance<br>DAP # 7/2004 from IOD.  | 561,996<br>(1.76%) | Wife of Mr. Kumpol<br>Mother of Mr.Surapong<br>Mrs.Pornpun and<br>Mrs. Oyetip | 1992- Present<br>1990 - Sep 2008<br>1989 - Present<br>1988 - Present<br>1972 - Present<br>1966 - Present             | Director, Asia Airport Hotel Co.,Ltd.<br>Director, Zeer Property Public Co.,Ltd.<br>Director, Pamatoy Co.,Ltd.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Director, Asia Pattaya Hotel Co.,Ltd.<br>Director, Asia Hotel Public Company Limited   | Hotel & Rest.<br>Area Subcontract<br>Manufacture<br>Holding Company<br>Hotel & Rest.<br>Hotel & Rest. |
| 6. Mr.Piyawudh Senapoopitaksa<br>Director (Independent Director)<br>Audit Committee Member<br>Nomination and Remuneration Committee Member<br>Age 84 years. As director 44 years ago      | Certificate of Life Insurance<br>Certificate of Attendance<br>DAP # 6/2003 , FSD # 4/2009<br>from IOD.  | 26,666<br>(0.08%)  | -none-  | Jan 2010 - Present<br>May 1999- Present<br>1992 - Present<br>1988 - Present<br>1972 - Present<br>1968 - Present      | Nomination and Remuneration Committee Member, ASIA<br>Audit Committee Member, Asia Hotel Public Company Limited.<br>Director, Asia Airport Hotel Co.,Ltd.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Director, Asia Pattaya Hotel Co.,Ltd.<br>Director, Asia Hotel Public Company Limited .  | Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Holding Company<br>Hotel & Rest.<br>Hotel & Rest.  |
| 7. Mr.Sombut Pupipathirunkul<br>Director (Independent Director)<br>Audit Committee Member and<br>Nomination and Remuneration Committee Chairman<br>Age 74 years. As director 23 years ago | Bachelor Degree in Economics<br>Thammasart University<br>Certificate of Attendance<br>DAP # 6/2003 , FSD # 4/2009<br>from IOD.  | 49,799<br>(0.16%)  | -none-  | Jan 2010 - Present<br>May 1999- Present<br>1996 - Present<br>1992 - Present<br>1989 - Present                        | Nomination and Remuneration Committee Chairman, ASIA<br>Audit Committee Member, Asia Hotel Public Company Limited.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Director, Asia Airport Hotel Co.,Ltd.<br>Director, Asia Hotel Public Company Limited .   | Hotel & Rest.<br>Hotel & Rest.<br>Holding Company<br>Hotel & Rest.<br>Hotel & Rest.                   |
| 8. Mr.Suwat Dusitrojjanawongse<br>Director (Independent Director)<br>Audit Committee Member<br>Nomination and Remuneration Committee Member<br>Age 67 years. As director 23 years ago.    | Bachelor Degree in Economics<br>Kinki University, Japan<br>Certificate of Attendance<br>DAP # 7/2004 , FSD # 4/2009<br>from IOD.  | 85,000<br>(0.27%)  | -none-  | Jan 2010 - Present<br>Feb 2009 - Present<br>May 2008 - Present<br>1992 - Present<br>1989 - Present<br>1983 - Present | Nomination and Remuneration Committee Member, ASIA<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Audit Committee Chairman, Asia Hotel Public Company Limited.<br>Director, Asia Airport Hotel Co.,Ltd.<br>Director, Asia Hotel Public Company Limited .<br>Managing Director, Thepdusit Co., Ltd.   | Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Construction     |
| 9. Dr. Chotima Puasiri<br>Independent Director<br>and Audit Committee Member<br>Age 35 years.<br>As director 4 years ago.   | Master of Commerce, Marketing<br>UNSW, Sydney, Australia &<br>Master of Art, Management.<br>Phd. Business Administration<br>Ramkhamhaeng University<br>Nottingham University, UK.<br>Certificate of Attendance DAP<br># 78/2009, FSD# 16/2012<br>ACP# 41 /2012 from IOD | 16,666<br>(0.05%)  | -none-  | May. 2011 - Present<br>Aug. 2008 - Present<br>May 2009 - Present<br>2009 - Present<br>2008 - Present<br>2005 - 2008  | Independent Director, Asia Hotel Public Company Limited.<br>Director, Asia Hotel Public Company Limited.<br>Director, Nam Seng Insurance Public Company Limited.<br>Director, N.S.B. Co., Ltd.<br>Manager, Office Admin Dep.Nam Seng Insurance Public Company Limited.<br>Assistant Manager NON-MOTOR Insurance Department<br>Nam Seng Insurance Public Company Limited. | Hotel & Rest.<br>Hotel & Rest.<br>Insurance<br>Real Estate<br>Insurance<br>Insurance                  |

**Management Team** as at January 31, 2013.

**Attachment 1**

| Name   | Educational Background  | No. of Share Held     | Family Relationships   | Experience for the past 5 years   |  | Type of Business   |
|--|---|-----------------------|--|---|--|--|
| 1. Mr. Kumpol Techaruvichit<br>Chairman of the Board<br>and Executive Committee<br>Managing Director<br>81 years | Distinative Honorary<br>Degree<br>Western Pacific University<br>Hawaii , USA<br>Certificate of Attendance<br>DAP # 7/2004 from IOD.                                 | 561,996<br>(1.76%)    | Husband of<br>Mrs.Suvimol,<br>Elder Brother of<br>Mr. Amorn,<br>Father of Mr.Surapong<br>Mrs.Pornpun | 1993 - Present<br>1992 - Present<br>1991 - Present<br>2008 - Mar. 2012<br>1990 - 2008<br>1989 - Present<br>1988 - Present<br>1988 - Present<br>1976 - Present<br>1972 - Present<br>1966 - Present | Director, N.S.B. Co., Ltd.<br>Chairman of the Board and M.D., Asia Airport Hotel Co.,Ltd.<br>Chairman of the Board, Nam Seng Insurance Public Co., Ltd.<br>Director, Zeer Property Public Co.,Ltd.<br>Chairman of the Board, Zeer Property Co.,Ltd.<br>Chairman of the Board, Pamatoy Co., Ltd.<br>Chairman of the Board and M.D., Pattaya Hotel Trading Co.,Ltd.<br>Chairman of the Board and M.D., A.B.K. Enterprise Co.,Ltd.<br>Chairman of the Board, N.S.Alliance Co., Ltd.<br>Chairman of the Board and M.D., Asia Pattaya Hotel Co.,Ltd.<br>Chairman of the Board and Executive Committee and M.D., Asia Hotel Public Company Limited | Real Estate<br>Hotel & Rest.<br>Insurance<br>Area Subcontract<br>Area Subcontract<br>Manufacture<br>Investment<br>Holding Company<br>Holding Company<br>Hotel & Rest.<br>Hotel & Rest. |
| 2. Mr. Amorn Techaruvichit<br>Deputy Managing Director<br>Executive Director<br>66 years                         | MBA.<br>WORDBARY COLLEGE,<br>L.A. USA.<br>Certificate of Attendance<br>DAP # 7/2004 from IOD.   | 70,000<br>(0.22%)     | Younger Brother of<br>Mr. Kumpol,  | 1992 - Present<br>1990 - May 2011<br>1988 - Present<br>1981 - Present<br>1969 - Present   | Deputy Managing Director, Asia Airport Hotel Co.,Ltd.<br>Deputy Chairman of the Board, Director,Zeer Property Co.,Ltd.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Deputy Managing Director and Executive Director,<br>Asia Hotel Public Company Limited<br>Deputy Managing Director, Asia Pattaya Hotel Co.,Ltd.   | Hotel & Rest.<br>Area Subcontract<br>Holding<br>Hotel & Rest.<br>Hotel & Rest.   |
| 3. Mr.Surapong Techaruvichit<br>Assistant Managing Director<br>Executive Director<br>54 years                    | Bachelor Degree in Economics<br>Chulalongkorn University<br>MBA<br>NIDA, Bangkok<br>Certificate of Attendance<br>DAP # 7/2004 from IOD.<br>DCP # 167/2012 from IOD. | 226,666<br>(0.71%)    | Son of Mr.Kumpol<br>and Mrs. Suvimol<br>Elder Brother of<br>Mrs. Pornpun and<br>Mrs. Oyetip          | 1992- Present<br>1990 - Mar. 2012<br>1989- Present<br>1988- Present<br>1984- Present<br>1983- Present   | Assistant Managing Director, Asia Airport Hotel Co.,Ltd.<br>Director, Zeer Property Public Co.,Ltd.<br>Director, Pamatoy Co.,Ltd.<br>Director, A.B.K. Enterprise Co.,Ltd.<br>Assistant Managing Director and Executive Director,<br>Asia Hotel Public Company Limited<br>Assistant Managing Director, Asia Pattaya Hotel Co.,Ltd.  | Hotel & Rest.<br>Area Subcontract<br>Manufacture<br>Holding<br>Hotel & Rest.<br>Hotel & Rest.  |
| 4. Mrs.Pornpun Tanariyakul<br>Assistant Managing Director<br>Executive Director<br>53 years                      | Bachelor Degree in Accounting and<br>MBA<br>Chulalongkorn University<br>Certificate of Attendance<br>DAP # 6/2003 from IOD.   | 3,572,775<br>(11.16%) | Dauther of Mr.Kumpol<br>& Mrs. Suvimol<br>Elder Sister of<br>Mrs Oyetip                              | 2003 - Present<br>2000 - Present<br>1992 - Present<br>1988 - Present  | Managing Director, Pamatoy Co., Ltd.<br>Assistant Managing Director, ASIA Hotel Public Company Limited<br>Assistant Managing Director, Asia Airport Hotel Co., Ltd.<br>Assistant Managing Director, Asia Pattaya Hotel Co., Ltd.   | Manufacture<br>Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.   |

**Management Team** as at January 31, 2013.(continued)

**Attachment 1**

| Name  | Educational Background   | No. of Share Held  | Family Relationships  | Experience for the past 5 years  | Type of Business  |
|---|--|--------------------|---|--|---|
| 5. Mrs. Oyetip Hayrabut<br>Asst. to Managing Director<br>50 years                     | Bachelor Degree in Accounting<br>Chulalongkorn University,<br>MBA, Sul ross States<br>University, U.S.A. | 204,066<br>(0.64%) | Dauther of Mr.Kumpol<br>& Mrs. Suvimol<br>Younger Sister of<br>Mr.Surapong<br>and Mrs.Pornpun | Feb. 2009 - Dec. 2011 Acting General Manager, Asia Hotel Plc Co., Ltd.<br>June 2004 - Present Asst. to Managing Director , Asia Hotel Plc Co.,Ltd.<br>1989 - Present Director , Pamatoy Co., Ltd.  | Hotel & Rest.<br>Hotel & Rest.<br>Manufacture                                     |
| 6. Mr.Kriengsak Jumaree<br>HOTEL MANAGER<br>49 years                                  | Bacheelor of Political Science<br>Ramkhamhaeng University  | -                  | -none-  | Dce 2011-Present Hotel Manager, Asia Hotel Public Company Limited<br>Aug 2011 - Oct. 2011 General Manager, KOSA Hotel, Khon Kaen<br>Oct. 2010- July 2011 General Manager,V-ONE Hotel, Nakornchasi<br>Oct. 2007- Sep 2010 General Manager,MANHATTAN Hotel,Pathumthani<br>Apr. 2006 - Sep 2007 Front Office Manager, Asia Hotel Public Company Limited | Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest. |
| 7. Mr.Somsak Teerawitpreecha<br>Director of Sales<br>59 years                         | Bachelor Degree in<br>Marketing  | -                  | -none-  | 2002 - Present Director of Sales , Asia Hotel Plc. Co., Ltd.   | Hotel & Rest.   |
| 8. Miss Somsri<br>Tangtatpongsathorn<br>Financial & Accounting<br>Manager<br>44 years | Bachelor Degree in<br>Accounting, Bangkok<br>University  | -                  | -none-  | Jul 2005 - Present Financial & Accounting Manager, Asia Hotel Public Co., Ltd.<br>Feb2005 - Jul2005 Acting Financial & Accounting Manager, Asia Hotel Public Co., Ltd.   | Hotel & Rest.<br>Hotel & Rest.  |
| 9. Mrs.Siriwan Boonchim<br>Executive Housekeeper<br>63 years                          | High school<br>Somboonwittaya School   | 8,333<br>(0.03%)   | -none-  | 1987 - Present Executive Housekeeper , Asia Hotel Public Co., Ltd.   | Hotel & Rest.   |
| 10. Mr. Athiwat Opaswatkul<br>Front office Manager<br>45 years                        | High school<br>Bangbuathong School , Nonthaburi  | -                  | -none-  | Nov 2011 - Present Front office Manager , Asia Hotel Public Co., Ltd.<br>Aug 2010 -Nov 2011 Asst. Front office Manager,Asia Hotel Public Co., Ltd.<br>Jul 2008 - Jul 2010 Duty Manager, Asia Hotel Public Co., Ltd.<br>2001 - 2007 Bartender, Princess Cruise Line   | Hotel & Rest.<br>Hotel & Rest.<br>Hotel & Rest.<br>Restaurant                     |

**Management Team** as at January 31, 2013.(continued)

**Attachment 1**

| Name  | Educational Background   | No. of Share Held | Family Relationships                       | Experience for the past 5 years |  | Type of Business |
|---|--|-------------------|--|---------------------------------|--|------------------|
| 11. Mr. Pramote Naksamrit<br>Food and Beverage Manager<br>49 years                                | Master of Business Administration<br>Kasem Bundit University   | -                 | -none-                                     | Jan 2013 - Present              | Food and Beverage Manager, Asia Hotel Public Company Limited   | Hotel & Rest.    |
|   |  |                   |  | May-Dec 2012                    | Food and Beverage Manager, Garden Cliff Resort & Spa, Chonburi | Hotel & Rest.    |
|   |  |                   |  | Mar 2011 - Apr 2012             | General Manager, Koh Chang Grand Laguna, Trad                  | Hotel & Rest.    |
|   |  |                   |  | Nov 2009 - Mar 2011             | General Manager , Nakakiri Resort and Spa, Kanchanaburi        | Hotel & Rest.    |
|   |  |                   |  | Mar 2009-Sep 2009               | Director of Food & Beverage, Century Park Hotel, Bangkok       | Hotel & Rest.    |
|   |  |                   |  | Jan - Sep 2008                  | General Manager, Phi Phi The Beach Resort , Krabi              | Hotel & Rest.    |
| 12. Mr. Chertpong Jantawong<br>Personnel Manager<br>55 years<br>He has resigned since 31 Jan.2013 | Bachelor Degree : Faculty of<br>Political Science (Political)<br>Ramkhamhaeng University   | -                 | -none-                                     | 2008 - 31 Jan 2013              | Personnel Manager, Asia Hotel Public Company Limited           | Hotel & Rest.    |
|   |  |                   |  | 2003 - 2008                     | Human Resource Department Manager<br>PMK                       | Process - glass  |
| 13. Miss Natcha Techaruvichit<br>Public Relation Manager<br>31 years                              | Bachelor Degree : International<br>Business Mgt. Mahidol University<br>Master Degree in Marketing (MIM)<br>Thammasart University | -                 | Daughter of Mr.Amorn<br>Niece of Mr.Kumpol | Aug 2004 - Present              | Public Relation Manager, Asia Hotel Plc.Co. Ltd.               | Hotel & Rest.    |
| 14. Mr. Vaiyavuth Samakkarn<br>Chief Security<br>54 years   | Higher Education<br>Bansomdejchaopraya<br>Teacher Colledge   | -                 | -none-                                     | 2009 - Present                  | Chief Security , Asia Hotel Public Co., Ltd.                   | Hotel & Rest.    |
|   |  |                   |  | 2004 - 2009                     | Asst. Chief Security, Asia Hotel Public Co., Ltd.              | Hotel & Rest.    |
| 15. Mr. Chairat Thamvichit<br>Chief Engineer<br>66 years  | Patumwan Institute of<br>Technology  | -                 | -none-                                     | 1987 - Present                  | Chief Engineer , Asia Hotel Public Co., Ltd.                   | Hotel & Rest.    |

## Details of Directors and Management

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

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

**Attachment 1****Part 2****Stock Holding & Remuneration Report of Board of Directors of Asia Hotel Public Company Limited**

| Name of Directors |                   | Remuneration<br>(Baht)<br>ASIA & subsidiary | Major Change In<br>Common Share<br>During The Year | Common Share<br>31/12/2012    31/12/2011 |           |
|-------------------|-------------------|---|--|--|-----------|
| 1. Mr. Kumpol     | Techaruvichit     | 378,700                                     | - none -   | 380,933                                  | 380,933   |
| 2. Mr. Amorn      | Techaruvichit     | 347,000                                     | (10,900)   | 70,000                                   | 80,900    |
| 3. Mr. Surapong   | Techaruvichit     | 246,200                                     | - none -   | 226,666                                  | 226,666   |
| 4. Mrs. Suvimol   | Techaruvichit     | 168,500                                     | - none -   | 181,063                                  | 181,063   |
| 5. Mr. Piyawudh   | Senapoopitaksa    | 223,000                                     | - none -   | 26,666                                   | 26,666    |
| 6. Mr. Sombut     | Pupipathirunkul   | 218,500                                     | - none -   | 49,799                                   | 49,799    |
| 7. Mr. Suwat      | Dusitrojanawongse | 226,000                                     | - none -   | 85,000                                   | 85,000    |
| 8. Mrs. Pornpun   | Tanariyakul       | 178,000                                     | - none -   | 3,472,375                                | 3,472,375 |
| 9. Dr. Chotima    | Puasiri           | 154,000                                     | - none -   | 16,666                                   | 16,666    |

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