



ASIA HOTEL GROUP

ANNUAL REPORT 2017



BANGKOK-PATTAYA-AIRPORT-CHA AM

www.asiahotel.co.th

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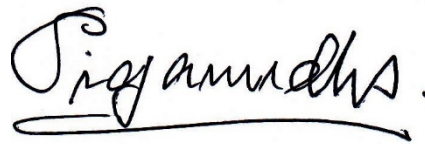
Message from Chairman

In 2017, Thailand tourism has been growing throughout the year. Targeting towards International visitors, Thai government took a serious action on the Zero-dollar tour. Consequently, a number of Chinese tourists came to visit Thailand increased from the previous year. Additionally, Thai government implemented many policies to support the country's tourism industry, such as free Visa fees policy and Visa on Arrival policy for 21 countries. Domestically, government also promote unrecognized destinations and second-tier tourist provinces for Thai people to visit. Moreover, the Consumer Confident Index had recovered the MICE market in hotel and rental businesses.

In 2017, the Company and its subsidiaries, doing hotel business, "ASIA Hotel Group" generated a total revenue of 710.15 million Baht. The hotel had an increase of 7 percent in the revenue and also higher average occupancy rate from a previous year to 2018. Due to the fact that tourist has developed a travel behavior that prefer travelling with family and pre-book the hotel through an online channel, Asia Hotel Group has developed a strategy to serve this tourists preference. As a result, hotels have received a positive promising feedback since mid-2017. In 2018, Asia Hotel Bangkok plans to renovate the hotel's façade and the lobby to increase the competitiveness within the industry. Furthermore, Asia Hotel group expected to launch a new hotel, "Darley Hotel Chiang Mai" in Chiang Mai in mid-2018. The hotel is located in the downtown of city.

Zeer Property Public Company Limited and its subsidiaries, under commercial real estate business, realized a total revenue of Baht 610.25 million. The number has slightly declined by 1.6 percent due to Zeer Rangsit shopping plaza is under renovation, redesigning some of the commercial leasing spaces as well as renovating building's façade and the outdoor fresh market. The renovation was estimated to be finished by the first quarter of 2018. This will attract more customers and will result in a higher rental revenue. The company is confident that the changes will drive rental revenue in 2018.

The management of Asia Hotel Group and Zeer Rangsit shopping plaza estimate that the revenue and earning to shareholder will be higher than the previous year. The company has strictly followed the social responsibility, corporate governance, anti-corruption which promote a sustainable growth within the company and subsidiaries. On behalf of the company, I would like sincerely thank you every customers, employees and shareholders that have trusted us all along.



Piyawudh Senapoopitaksa
Chairman

BOARD OF DIRECTOR



นายอมร เตชะหรวุจิตร
MR. AMORN TECHARUVICHIT
รองประธานกรรมการ
VICE CHAIRMAN



นายสุรพงษ์ เตชะหรวุจิตร
MR. SURAPONG TECHARUVICHIT
กรรมการผู้จัดการ
MANAGING DIRECTOR



นางสุวิมล เตชะหรวุจิตร
MRS. SUVIMOL TECHARUVICHIT
กรรมการ
DIRECTOR



นางพรพรรณ ตันอริยกุล
MRS. PORNPUN TANARIYAKUL
กรรมการรองผู้จัดการ
DEPUTY MANAGING DIRECTOR



นายสมบัติ ผู้พิพัฒนหิรัญกุล
MR. SOMBUT PUPIPATHIRUNKUL
กรรมการ (กรรมการอิสระ)
DIRECTOR (INDEPENDENT DIRECTOR)



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



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



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

Asia Hotel Bangkok

1. Policy and the Overall picture of the business operation

The Company: Asia Hotel Public Company Limited (ASIA)
 Business Type: There are two types of the business including Hotel and restaurant business and Shopping Center business (Rental Area Business).

Hotel and Restaurant Business

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

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

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

Shopping Center Business (Rental Area Business)

Includes the Zeer Property Public Company Limited (ZP), a subsidiary company that manages “Zeer Rangsit Shopping Center” located at Phaholyothin Road, Lam Lukka District, Pathumthani. ZP has other 3 subsidiary companies running real estate business includes Zeer Asset Company Limited (ZA), ZEER OVERSEA LLC (ZO) running the shopping center business at Los Angeles, USA, and SPA HOTEL CO., LTD. (SPA) is also a real estate business running a shopping mall “Laan Sook Plaza” and “The Darley Hotel Chiangmai” at Chang Moi, Amphoe Mueang, Chiang Mai. This project is under development.

1.1 Vision

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

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

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

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

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

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

Shopping Center Business (Rental Area Business): the objective is to develop communities locating at the northern area of Bangkok and all neighboring Provinces. It has facilities such as a large shopping center located on of more than 88 Rai of the land. Currently, it is promoted to be IT Shopping Center under the name of “Zeer Rangsit Shopping Center” and there are two extension projects of Zeer Rangsit, one is “The Hub Shopping Center”. The concept of ‘The Hub Shopping Center’ is to be the wholesale and retail cloths destination for customers in the north and northeast of Thailand, which conected to Zeer Rangsit building. The other project is “AA-Town Apartment”, a residential project becomes apartments for worker groups at neighboring area are able to rent a room at reasonable price. Moreover, the subsidiary company has expanded its business to Los Angeles, California, U.S.A. Lastly, the subsidiary company also invested in property which is located in the heart of the Chiang Mai in order to develop a shopping mall and a hotel in the near future.

1.2 Important Changes and Developments

History of the Company and Subsidiaries: The Company has disclosed the history in 56-1 Form of 2017, subtitle 1.2 as shown in the website of the Company: www.asiahotel.co.th, www.sec.or.th, and www.set.or.th

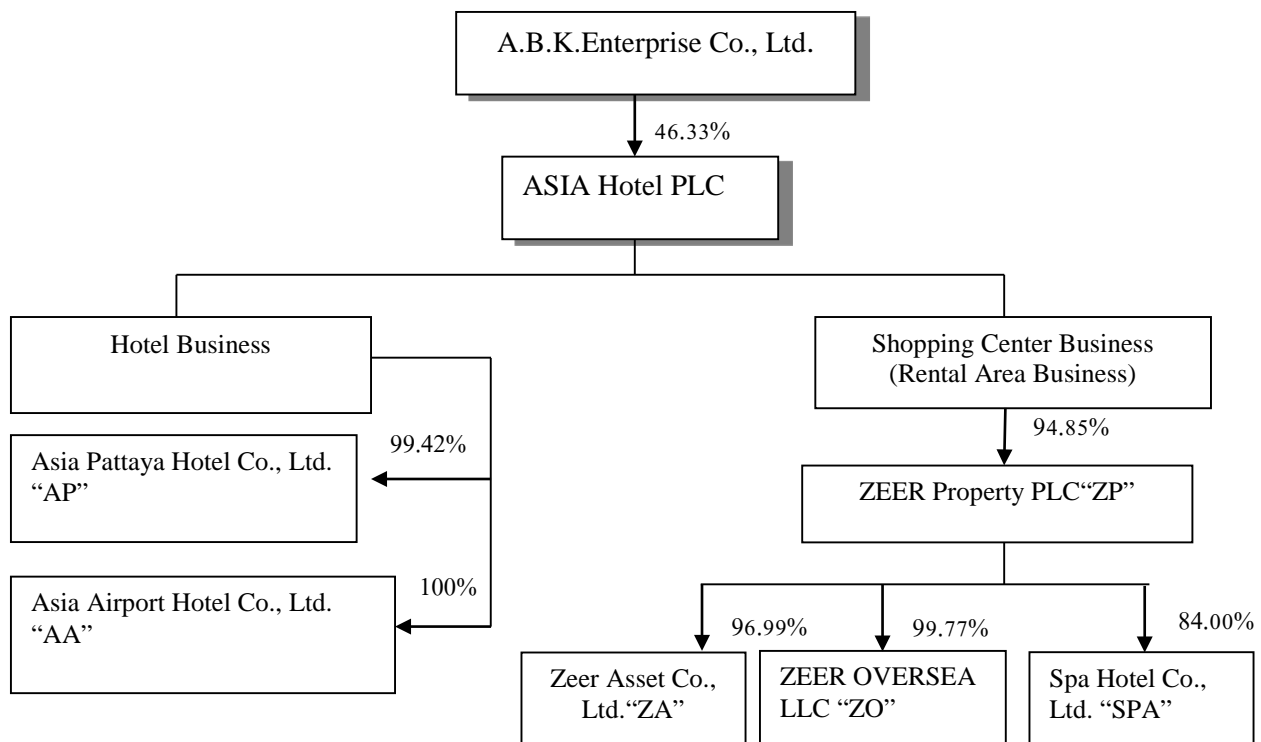
Important Changes over the Past Year

In October 2016, Zeer Property Public Company Limited (ZP), a subsidiary company established a new company named SPA HOTEL CO., LTD.(SPA), with the registered capital of 140 million baht. Zeer Property Public Company Limited is the biggest shareholder with 84% of all shares with par value of Baht 10 each. SPA HOTEL CO., LTD. is a real estate business running a shopping mall “Laan Sook Plaza” and a hotel “Darley Hotel Chiang Mai” at Chiang Mai. The location is in the heart of city which is near to Waroros market. The size of this area is 2-2-93.3 Rai. Now, this project is under development and expected to be ready in middle of the year 2017.

Overall Picture of the Operating Results of the Company Group

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

Shareholding Structure of the Company Group As At 31st December 2017



Relation with the Company Group of Major Shareholders

A.B.K. Enterprise Company Limited (ABK) is a Holding Company held Asia Hotel Public Company Limited (ASIA) shares of 46.33% and got income from dividend provided by ASIA only not from any other business that might cause the conflict or necessary dependence. The ABK shares held by Techaruvichit Group who is executive of ASIA of 32.94% and others held 67.06% shares. Therefore, as at 31st December 2016, Techaruvichit Group who is current executive of ASIA directly held 14.49% shares and indirectly held shares through ABK. The total shares held directly and indirectly in ASIA of 61.94%

2. Nature of Business

Asia Hotel Public Company Limited (ASIA) was engaged in hotel and restaurant business by operating under the trade name “Asia Hotel” which was founded in 1966. The company has also invested in other three hotel properties, one is Asia Pattaya Hotel, located Pattaya Beach Chonburi, two is “Asia Airport Hotel”, located at Lumluka district Pathumthani and another “Asia Cha-um Hotel” located Cha-um Beach, Petchaburi and the area rental business, IT Zeer Center, The Hub at ZeerRangsit Shopping Complex and AA-Town Apartment, located at LumlukaPathumthani, Darley Hotel Chiang Mai and Laan Sook Plaza new project, located center of Chiang Mai 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 590 rooms, the average room rate is Baht 1,510 and occupancy rate is 73.40% in the year 2017.
- 1.2) Food and Beverage Services, Available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:
 - 5 Restaurants and Coffee Shop, capacity 80-250 persons
 - 13 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, birthday party, wedding party, retirement party and etc., there are 5 rooms with capacity 10-20 persons, 2 rooms with capacity 30-50 persons, 2 rooms with capacity 60-100 persons, 3 rooms with capacity 150-300 persons and 1 room with capacity 600-1,500 persons
- 1.3) Other services consist of:
 - Health club
 - Two swimming pools on the 5th and 12th floor
 - Spa “Asia Spa” on 4th floor
 - Shops for rent
 - Others services such as Dress Maker, Leather, Souvenir- Gift Shop, Fortune Teller, Internet Center, Executive Center

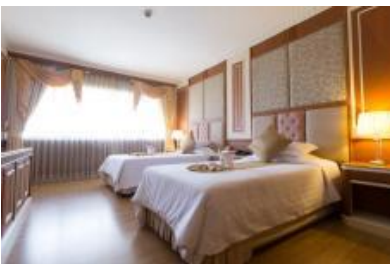


ASIA HOTEL BANGKOK



ACCOMMODATIONS

ROOM & SUITE



HEALTH & LIFESTYLE



MEETINGS & EVENTS



**ASIA HOTEL
WEDDING STUDIO**



TIVOLI COFFEE SHOP



SAIGON VIETNAMESE RESTAURANT



**GREATWALL CHINESE
RESTAURANT**



**RIO GRILL BRAZILIAN
CHURRASCARIA**



Asia Pattaya Hotel

2) Asia Pattaya Hotel Company Limited

Asia Pattaya Hotel is a seven-stories 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 305 rooms, average room rate is Baht1,110.00 and occupancy rate is 62.49% in the year 2017.
- 2.2) Food and Beverage Service , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
 - 5 Restaurants and Coffee Shop, capacity 50 - 300 persons and Poolside Bar
 - 5 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 450 persons
- 2.3) Other Services consist of
 - Shop for rent
 - Beauty Salon
 - Health Club
 - Thai Massage – Foot Massage
 - Nine Hole Golf Course
 - Tennis Court
 - Swimming Pool
 - Internet Center
 - Transfer taxi between hotel and tourist attraction in Pattaya.



ASIA PATTAYA HOEL



ROOM & SUITE



HEALTH & LIFESTYLE



MEETINGS & EVENTS



THE DEN LOBBY BAR



**CLIFFTOP SEAFOOD
PAVILION**



GARDEN TERRACE



THE MORAKOT COFFEE SHOP



Asia Airport Hotel

3) Asia Airport Hotel Co., Ltd.

Asia Airport Hotel is on 9th -18th floor of ZeerRangsit Building, with total space of 39,380 sq. meters., is located on Phaholyothin Rd., Kukot, LumlukaPathumthani. The area mentioned is under leasing contract with Zeer Property Public Co., Ltd., which shall end by March 2039. Asia Airport Hotel provides three types of hotel and restaurant services as follows:

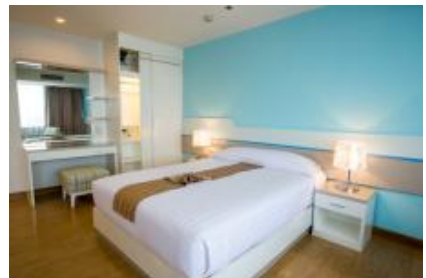
- 3.1) Accommodation with total 513 rooms, consist of
 - Hotel 402 rooms, average room rate is Baht 1,110.00 and Occupancy rate is 55.29% in the year 2017
 - Service Apartment of 111 rooms, Average rental rate is Baht 29,939.61 per month Occupancy rate is 17.18% in the year 2017.
- 3.2) Food and Beverage Service, available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:
 - 2 Restaurants, 1 room with capacity at 50 - 200 persons and 1 room with capacity at 50-100 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
 - Fitness Room



ASIA AIRPORT HOTEL



ROOM & SUITE



HEALTH & LIFESTYLE



MEETINGS & EVENTS



ROSY COURTR



RIO GRILL



ORCHID ABF



COFFEE CORNER



Asia Cha-am Hotel

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

Asia Airport Hotel Co., Ltd is operating “Asia Cha-am Hotel”. Asia Airport Hotel has leased “Asia Cha-am Hotel” from Zeer Property Plc Co., Ltd. since 2010. Asia Cha-am Hotel is located on 3-3-46 Rai plot of land at Cha-Um beach, Petchaburi. The hotel comprises of 17-stories building and 2 of 4-stories buildings, with the total of 3 buildings, provides three types of hotel and restaurant services as follow:

- 4.1 Accommodation with total 214 rooms, the average room rate is Baht 900.00 and the average occupancy rate is 46.36% in 2017.
- 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
 - 9 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 1 room with capacity 85-90 persons, 4 rooms with capacity of 100-200 persons, 1 room with capacity of 150-300 persons, 1 room with capacity of 300-350 persons, 2 rooms with capacity of 100-300 persons.
- 4.3 Other Services consist of fitness, sauna, and swimming pool on 17th floor and in front of the Hotel



Asia Cha Am Hotel



ROOM & SUITE



HEALTH & LIFESTYLE



MEETINGS & EVENTS



THINYOK COFFEE SHOP



LOBBY LOUNGE AND BAR



Zeer Property PCL

5) Zeer Property Public Company Limited.

The business objectives for Zeer Property Public Co., Ltd. (ZP), are developing and managing a shopping mall, and developing other real estate properties for both sell and lease. The company invested properties, in domestic and overseas. In Thailand, the properties are located in Patumthani, Petchburi, and Chiang Mai. Internationally, ZP invested in a shopping plaza in Los Angeles, United States of America.

Domestic Properties

In Patumthani, Zeer Property Public Co., Ltd operates Zeer Rangsit Shopping Center, comprises of 3 main buildings, Zeer Rangsit, The Hub Shopping Center, and AA Town Apartment, is located on Vipavadee-Rangsit Road, Km. 28 – 29, KhukhotSubdistrict, Lumlukka District, Pathumthani Province.

Zeer Rangsit is a mixed-use development comprised of retail, hotel, and serviced apartment with the total area around 273,960 sq.m. The total gross leasable area is approximately 126,000 sq.metres, which is 46% of gross construction area. The retail complex is well-known for being the largest IT and electronic center in Thailand. There are both short-term and long-term contracts. Retails in 6-stories complex are under both short-term and long-term contracts. In the podium of 12-stories tower, Asia Airport and Serviced Apartment are under long-term contracts.

By the end of 2017, occupancy of Zeer Rangsit Shopping Center is approximately 71%.In the basement, tenants are mainly dining restaurants and food center. Computers, electronics, and accessories stores are on 1st to 3rd floor. In the 4th floor, tenants used to be office and storages, the floor is under development introducing the new zone, educational institutions and services such as banks. The major tenant on 5th floor is Asia Airport Hotel, mainly banquet and function rooms. Throughout the year, some part of the 5th floor is renovated to be a 9,000-sqm convention center, the Diamond Hall. The Diamond Hall will be ready to serve customers in April, 2017.

The Hub Shopping Center, with the total area of 48,231 sq.m, is located next to Zeer Rangsit Shopping Center. There are 3 retail floors with a parking basement. The project is an extension retail component to complete the unmet element as a whole. The main concept is being the wholesale destination for retailers, majority of tenants are from Phatunam (Major wholesale center in Bangkok) and showcase for factory. As of 2017, the occupancy rate is 70%.

AA Town Apartment is located at the back of Zeer Rangsit Shopping Center, 17-stories building, with 130 rooms, 4,500/ 4,800/ 5,500 baht monthly, launched in November 2015. Occupancy rate is 94% as of 2017.

Nonetheless, the company also rents out the space outside the building to be a fresh market and retail plaza with the leasable area of 5,000 sq.m.

In 2010, ZP invested in a land, comprised of hotel building and 17 shophouses on Cha-Am beach, Petchburi. The company renovated the existing buildings to become 214-rooms hotel and rented out at the highest bid. Asia Airport Co., Ltd won the highest bidding for the rental fee and is now operating the hotel under the name “Asia Cha-am Hotel”

In the end of 2016, Zeer Property Public Company Limited established the new company—holding 84 % of the share—with the local landlord in Chiang Mai under the name SPA hotel Co., Ltd. SPA hotel Co., Ltd invested in a 0.86-acre land, comprised of 24 shophouses and a hotel building, near the famous Warorot Market, Chiang Mai. The project is under development plan, developing the retail space of 4,000 square meters and hotel space of 2,900 square meters.

Overseas Property

Zeer Oversea LLC (ZO), a subsidiary of ZP, acquired an asset in Glendale Boulevard, Los Angeles, California, USA. The Glendale Shopping Center is on a plot of land around 0.80 Acre (approx. 2 Rai), consists of two buildings, the total rental space of 11,735 square feet and fully occupied (100%.) The stores are restaurants and services. All of Tenant contracts last at least 5 years.

SUBSIDIARIES STRUCTURE



ZEER RANGSIT



THE HUB RANGSIT



SUBSIDIARIES STRUCTURE



AA TOWN APARTMENT



GLENDALE & GLENHURST SHOPPING CENTER, LOS ANGELES, USA



Major Revenues from Hotel and Restaurant Business and Shopping Center business (Rental Area) in past 3 years:

Type of Business	Operated by	% of Share Held	2015		2016		2017	
			MB	%	MB	%	MB	%
- Hotel	Asia Hotel Public	Parent Company	221.67	16.25	207.07	16.16	235.07	17.18
- Restaurant	Company Limited	Listed Company	163.80	12.00	148.29	11.56	149.90	11.36
Total			385.47	28.25	355.36	27.72	384.97	22.16
- Hotel	Asia Pattaya Hotel	99.42%	85.99	6.30	65.89	5.14	71.84	5.44
- Restaurant	(Subsidiary Company)		53.75	3.94	38.97	3.04	41.45	3.14
Total			139.74	10.24	104.86	8.18	113.29	8.58
- Hotel	Asia Airport Hotel	Direct 100%	125.41	9.19	108.80	8.49	132.10	10.0
- Restaurant	(Subsidiary Company)		102.41	7.50	92.35	7.21	79.79	6.05
Total			227.82	16.69	201.15	15.70	211.89	16.05
Shopping Center Business (Rental Business)	Zeer Property Public Co., Ltd. (Subsidiary Company)	Direct 94.85%	611.68	44.82	620.33	48.40	610.26	46.21
Total			611.68	44.82	620.33	48.40	610.26	46.21
Grand Total			1,364.71	100.0	1,281.70	100.0	1,320.41	100.0

3. Risk Factors

3.1 External Risk

- **Rooms Oversupplied Risk**

Thailand's tourism industry has been growing continuously, especially in the large cities where FIT travel there by themselves. As the result, an increasing number of small hotels launched has created new supply to the market. As such, there is a risk oversupplied of hotel rooms. This risk could affect the company's hotel operations in the future. However, the risk can be reduced, by owning and operating the large hotels as competitive advantage, the company has higher marketing expense to attract customers. In addition, the company gained more customers from the booming of online reservations through online travel agents.

- **Risk form Chinese tourist**

As of year 2017, Thailand's tourism industry grew by 9% from the previous year. Chinese tourists made up largest portion of international tourists who visited Thailand, 28% of total international tourists. Significantly, Thailand's tourism industry is constantly highly dependent on Chinese tourists. However, the changing in outbound tourism policies of Chinese government may affect Thailand's tourism industry. Thus, in order to reduce the risk from dependent on Chinese tourist, The Company try to promote the portion of other regional market (Such as ASEAN Russia and Europe). As a final point, in year 2017, the ASEAN (including Thailand) tourist has a portion of 41% of total customer, and continuous growing.

3.2 Internal Risk

- **Human Resource Risk**

Human resources development and management is one of the key priorities of the company and its subsidiaries company. The growing in number of small and large hotels make labor shortage in the hotel business. The company and its subsidiaries company faced to the high rate turnover and discontinuity of work. Hence, reducing the risks from human resource, the company increases the competitive compensation rate together with accommodated facilities for employee benefit in the scenery town (such as Bangkok and Pattaya). Moreover, The Company and its subsidiaries company have managed the human resource risk by using outsourced companies to supply to the labors to reduce the burden of the company.

- **Foreign Investment Risk**

The subsidiary company (ZP) has investment in the United States of America. Initially, the subsidiary company loans from local bank in term of Thai Baht, and investing in US property. Hence, the miss matching between the total revenue received in foreign currency (USD) and the interest expensed in Thai Baht made the risk in the fluctuation of foreign currency exchange rates.

The subsidiary company always recognized risks relating to the fluctuation in foreign currency exchange rates in converting the involved total value of foreign currency revenues from its overseas operations into Thai Baht. However, With regards to sourcing funds for its operations, generally the Company will borrow funds in the same currency as to be able to offset risks relating to foreign currency exchange rates fluctuations.

- **Financial Risk**

The company and its subsidiaries company have always recognized the financial management. As of 31 December 2017, the total interest bearing debt was Baht 1,850 million or equal to 0.32x of interest bearing debt to equity ratio, most of which apply a Minimum Lending Rate (MLR). Risks relating to fluctuating interest rates may have some effect on the Company's cash flow. However, for the risk management of company and its subsidiaries company has controlled the D/E Ratio, together with the potential rises funds form capital market.

4. General Information and Parties of References

Company : ASIA HOTEL PUBLIC COMPANY LIMITED (ASIA)

Business Type 2 major business: Hotel Business and Shopping Center Business (Rental Area Business)

Company register : no. 0107535000346

Telephone no. : 0-2217-0808 fax no.0-2215-2645

Home Page : //www.asiahotel.co.th

Address : 296 Phyathai Road, ThanonPetchari, Rajathevi, Bangkok 10400

Authorized share capital: 500 million bahtconsisting of 50 million shares with par value of Baht10 each

Paid up capital : 320 million baht consisting of 32 million fully paid shares with par value of Baht 10 each

Shares Registrar

Name : Thailand Securities Depository Co., Ltd.

Address : 93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400

Telephone No. : (662)-009-9738-89

Auditor

Company's Name : ANS Audit Co., Ltd.

Auditor's Name : Mr.AtipongAtipongsakul C.P.A (Thailand) No. 3500 or
: Mr.SathienVongsnan C.P.A (Thailand) No. 3495 or
: Mr. VichaiRuchitanont C.P.A (Thailand) No. 4054 or
: Miss. KultidaPasurakul C.P.A (Thailand) No. 5946

Address : 100/72, 22nd100/2 Vongvanij B Bldg., Rama 9 Rd., Huaykwang, Bangkok 10310
Tel. (662) 645-0109 Fax. (662)645-0110.

Legal Advisor

Name/Address : Mr. Krisadang Nutcharut,
25/7 Moo 19 Soi 21/1, Phutthamonthon sai 2 Rd., Sala Thammasop, Thawi Wattaana,
Bangkok 10170

Telephone No. : 081-646-6293

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

	Address	Type of Business	Type of Share	Issued and paid-up (MB)	No. of Shares Held	% of Shares Held
Asia Pattaya Hotel Co., Ltd. "AP" (Subsidiary Company)	352 Moo 2 Kao PraTumnuk Road Pattaya Beach Cholburi.	Hotel and Restaurant	Ordinary Shares	120.0	1,193	99.42%
Asia Airport Hotel Co., Ltd."AA" (Subsidiary Company)	99/2 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Hotel & Service Apartment and Restaurants	Ordinary Shares	495.0	4,949,993	100.00%
Zeer Property Co., Ltd. "ZP" (Subsidiary Company)	99 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Shopping Center (Rent Area) Business	Ordinary Shares	225.0	213,412,200	94.85%
Zeer Asset Co., Ltd."ZA" (Subsidiary Company) By ZP	165 Rungsit-Nokornnayok Rd. Prachatipat, Pathumthani	Real Estate	Ordinary Shares	1.0	10,000	96.99%
Zeer Oversea LLC"ZO" (Subsidiary Company) By ZP	266222 nd Avenue San Francisco, CA., USA 94116	Shopping Mall for Rent	Ordinary Shares	US\$ 5,760,000	US\$ 5,754,000	99.77%
Spa Hotel Co., Ltd. "SPA" (Subsidiary Company) By ZP	99 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Hotel & Service and Shopping Mall for Rent	Ordinary Shares	140.0	11,759,987	84.00%

Remarks: ZP has established three subsidiaries, Zeer Asset Co., Ltd, Zeer Oversea LLC. And Spa Hotel Co., Ltd. holding the ordinary shares of 96.99%, 99.77% and 84.00% respectively, resulting ASIA hold the shares indirectly.

5. The structure of shareholders and management.

5.1 Shareholders

(A) Details of Top-Tenth Major Shareholders as at the latest closing dated for The Company share transfer (29 November 2017)

No.	Name	No. of Shares Held	% of Share Held
1	A.B.K. Enterprise Groups.	14,824,000	46.325
2	Mrs. PornpunTanariyakul and spouse	3,572,775	11.165
3.	Mr. WutimateLertvilai	1,152,999	3.603
4.	Mr.KobsakJarurongsan.	980,694	3.065
5.	Mr.Surapol Techaruvichit	918,500	2.870
6.	Mr.SomsakKomvutichai	860,900	2.690
7.	Mr. Soh Chee Yong	765,000	2.391
8.	Mr. VichaiTiyawongmana	675,000	2.109
9.	Mrs. Suvimol Techaruvichit	561,996	1.765
10.	Mr. WichaiArunkamolsri	539,600	1.686
	Total	24,855,464	77.672

Remarks : Counting the total amount of shares of related shareholders according to the Section 258

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

Name list of major shareholder	No. of Shares Held	% of Share Held
1. Techaruvichit Family	4,927,136	15.40
Mrs. Suvimol Techaruvichit	561,996	1.76
Mr. Surapol Techaruvichit and spouse	1,025,833	3.20
Mr. Surapong Techaruvichit	226,666	0.71
Mrs.PornpunTanariyakul and spouse	3,572,775	11.16
Mrs. OyetipHayrabut	204,066	0.64
Mr. AmornTecharivichit	70,000	0.22
2.A.B.K. Enterprise Co., Ltd.	14,824,000	46.32
3.Pattaya Hotel Trading Co., Ltd.	360,000	1.12

The persons inTecharuvichit Family holds direct ASIA shares totaling 5,868,302 shares or 18.34%

As at December 31, 2017 Techaruvichit group, who is a current executive of ASIA, holds direct shares of the company of 14.49% and holds indirect shares via the company group of A.B.K. Enterprise Company Limited according to the note in item (a) of 47.45%, It is totally direct and indirect holding of 61.94% as follows:

A.B.K. Enterprise Company Limited is a Holding Company, 32.94% of shares are held by Techaruvichit Group, the executive of ASIA and others held 67.06% shares

Pattaya Hotel Trading Company Limited is a Holding Company, 65% of shares are held by Techaruvichit Group, the executive of ASIA and others held 35% shares

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

Director and Executive	No. of Shares Held	% of Share Held in 2016	% of Share Held in 2017
Mrs. Suvimol Techaruvichit	561,996	1.76	1.76
Mr. Amorn Techarivichit	70,000	0.22	0.22
Mr. Surapong Techaruvichit	226,666	0.71	0.71
Mrs.Pornpun Tanariyakul and spouse	3,572,775	11.16	11.16
Mrs. Oyetip Hayrabut	204,066	0.64	0.64
Mr. Piyawudh Senapoopitaksa	26,666	0.08	0.08
Mr. Sombut Pupipathirunkul and spouse	52,999	0.17	0.17
Mr. Suwat Dusitrojanawongse	85,000	0.27	0.27
Dr. Chotima Puasiri	16,666	0.05	0.05
Mr. Theerarath Techaruvichit	0	0.00	0.00
Mr. Kriengsak Jumaree	0	0.00	0.00
Director and Executives hold ASIA shares	4,816,834	15.05	15.05

6. Payment of Cash Dividend

- *Asia Hotel Public Company Limited*

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

Past 3 years record of dividend paid

<u>Period</u>	<u>dividend/share</u>	<u>date paid</u>
1 Jan - 30 Jun 2017	0.60	12 December 2017
1 Jan - 31 Dec 2016	0.85	25 May 2017
1 Jul - 31 Dec 2015	2.00	19 May 2016
1 Jan - 30 Jun 2015	2.25	9 September 2015
1 Jul - 31 Dec 2014	1.25	19 May 2015
1 Jan - 30 Jun 2014	2.00	12 September 2014

Payment of Cash Dividend of Subsidiary Companies

- *Asia Pattaya Hotel Company Limited*

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

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

- *Asia Airport Hotel Company Limited*

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

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

- *Zeer Property Public Company Limited*

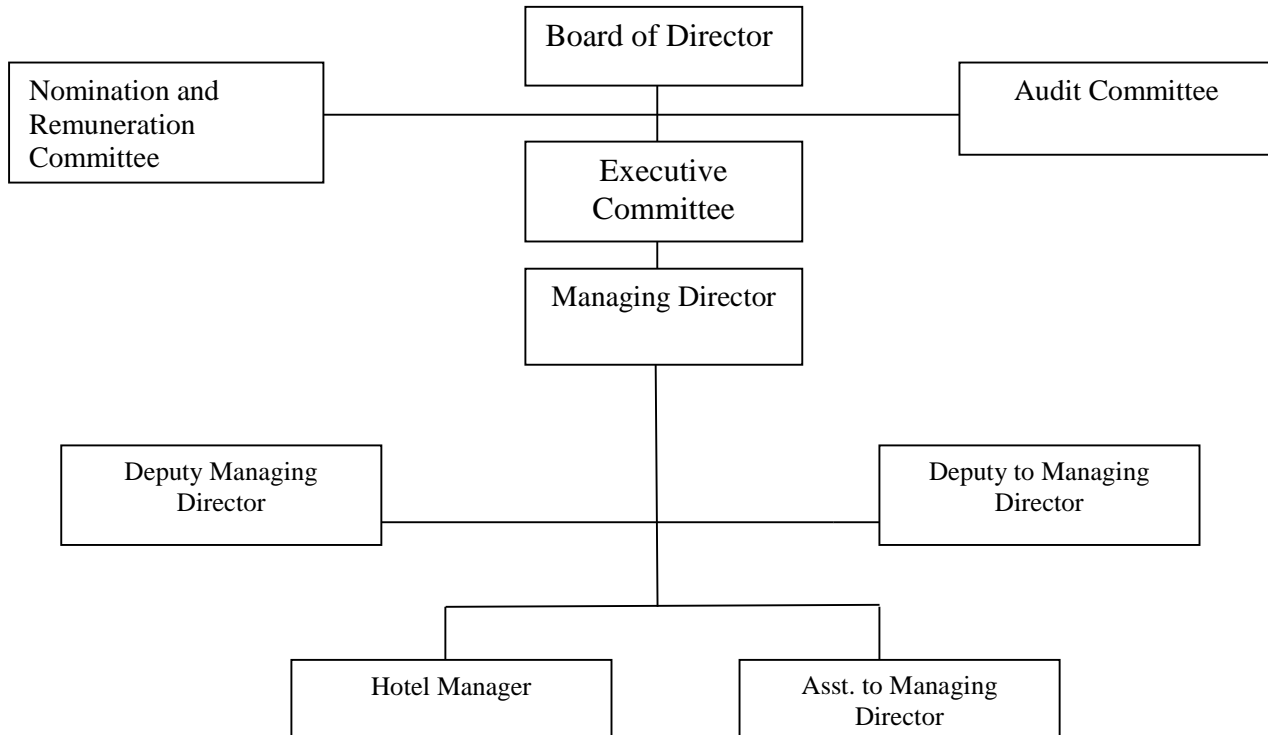
: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation.

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

7. Management

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

Management Structure as of 31 December 2017



7.1 Board of Directors presently consists of 8 members

1. Mr. Piyawudh	Senapoopitaksa	Chairman* (Independent Director)
2. Mr. Amorn	Techaruvichit	Vice Chairman
3. Mr. Surapong	Techaruvichit	Director
4. Mrs.Suvimol	Techaruvichit	Director
5. Mrs. Pornpun	Tanariyakul	Director
6. Mr. Sombut	Pupipathirunkul	Director (Independent Director)
7. Mr. Suwat	Dusitrojanawongse	Director (Independent Director)
8. Dr. Chotima	Puasiri	Director (Independent Director)
Miss Sudaratana	Wisnuwatanakit	Secretary to the Board

Remarks: * The resolution of the Board of Director has appointed Mr.Piyawudh Senapoopitaksa as new Chairman effective 14 March 2018 onward.

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

- The term of office is 3 years according to the company's regulations. In the shareholders annual meeting each year one third of the committee will leave the office and they can be re-elected again.
- The Company will propose to shareholder meeting to appoint at least 3 independent directors or not less than 1/3 of total company directors according to regulations of the Security and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The qualifications of independent Directors are in item 8.3 Selection of committee and executives

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

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

- (1) Consider and approve the organizational structure and management of the Company and its subsidiaries.
- (2) Approve policy, strategy and operational goal proposed by executive committee. To govern and share opinion for making decision in executive for achieving operational goals as established.
- (3) Consider and approve the annual operating budget, capital expenditure budget and investment projects of the Company and its subsidiaries.
- (4) Appoint Independent director, executive committee, sub-committee groups and top executive of company and approve the remuneration proposed by the nomination and remuneration committee.
- (5) Consider and approve the issues of contingent liabilities, commitments and guarantees of the company and its subsidiaries.
- (6) Propose the director whose tenure will end and the new director in the Shareholders' Meeting and propose the meeting attendance remuneration, bonus for the Board members as well as dividend payment to shareholders.
- (7) Propose the appointment of company's auditor and audit fees in the Shareholders' Meeting in accordance with Audit committee's recommendation.
- (8) Consider and agree on Quarterly and Annual Financial Statements, Annual filing Form 56-1 and Form 56-2 according to the regulation of the Stock Exchange of Thailand (SET) and the Security and Exchange Commission (SEC).
- (9) Consider and approve the related transaction and conflict of interest relating to the purchase or disposal of assets according to the SEC.
- (10) Follow up the monthly and quarterly operating results and financial status of the Company and its subsidiaries
- (11) Consider and approve the agreement on purchasing, hiring servicing, renting and leasing with exceeding value of Baht 20 million
- (12) Consider the purchase of the out-of budget items which value more than Baht 20 million, and the over-budget expense exceeding 20% of approved value.
- (13) Consider on renting and leasing assets for period over 6 years.
- (14) Consider and approve on any matters presented by Executive Committee including legally-required matters to be presented to the Board.
- (15) Board may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the SEC and the SET.
- (16) The Board Meeting shall be at least 1 time per 3 months with at least 50% of attendants

- (17) Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
- (18) Board prepare the annual report of conflict of interest of director and related person or changing item in the report within 30 days , this report will be kept by the company secretary

- ❖ The Company's structure of directors comprises of 8 members:
- Management executives 3 members (Mr.Amorn Techaruvichit, Mr.Surapong Techaruvichit and Mrs. PornpunTanariyakul)
 - Non-management executives 1 members (Mrs. Suvimol Techaruvichit)
 - Independent 4 members (Mr. PiyawudhSenapoopitaks, Mr.SombutPupipathirunkul, Mr.SuwatDusitrojanawongse and Dr.ChotimaPuasiri)

Therefore, to balance and to inspect the execution of the Company, structure of board of directors consists of 5 members of non-management executives that more than a half of total members of directors and the Company also appointed 4 members of independent as audit committee. (more than 1/3 of 8 members of board of directors).

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

❖ Committee's Meeting

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

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

In 2017, there are totally 12 committees' meeting and the participants are as follows:

Name	Position	Tenure	Participate /Number of meeting
1.Mr.Piyawudh Senapoopitaksa*	Chairman ID, AC and NRC	APR.2017- APR. 2020	12/12
2.Mr.Amorn Techarucihit	Vice Chairman	APR.2016- APR. 2019	12/12
3.Mr.Surapong Techaruvichit	Director	APR.2016- APR. 2019	12/12
4.Mrs.Suvimol Techaruvichit	Director	APR.2015- APR. 2018	10/12
5.Mrs.Pornpun Tanariyakul	Director	APR.2017- APR. 2020	11/12
6.Mr.Sombut Pupipathirunkul	Director, ID, AC and NRC	APR.2015- APR. 2018	11/12
7.Mr. Suwat Dusitrojanawongse	Director, ID, AC and NRC	APR.2016- APR. 2019	12/12
8.Dr.Chotima Puasiri	Director, ID, AC	APR.2015- APR. 2018	12/12

Remark: * The Board has appointed Mr. Piyawudh Senapoopitaksa as new Chairman of the Board effective March 18, 2018 onward.

ID = Independent Director, AC = Audit Committee, NRC = Nomination and Remuneration Committee

Shareholder Meeting participation

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

Authorized Directors

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

The Limit of the Authority of Directors: None

Scope of duties and responsibilities of Chairman of Directors

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

Scope of duties and responsibilities of Managing of Directors

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

7.2 Executive

Executive Committee as at December 31, 2017

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

Duties and Responsibilities of Executive committee as follows:

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

Management Team as 31 December 2017

1. Mr. Surapong	Techaruvichit	Managing Director
2. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
3. Mrs. Oyetip	Hayrabut	Deputy to Managing Director
4. Mr. Theerarath	Techaruvichit	Assistant to Managing Director
5. Mr. Kriengsak	Jumaree	Hotel Manager
6. (Nominating in process)		Director of Sales (Room)
7. Miss Ganlayanee	Roungayubchai	Director of Sales (F&B)
8. Miss. Somsri	Tungstatpongsathorn	Financial & Accounting Manager
9. Mrs. Sudjai	Topol	Acting Housekeeping Manager
10. (Nominating in process)		Front Office Manager
11. Mr. Suporn	Srisuthunyavong	Food and Beverage Manager
12. Miss Patcharanee	Techaruvichit	Assistant Personnel Manager
13. Miss Nutch	Techaruvichit	Public Relations Manager
14. Mr. Chairat	Thamvichit	Engineering Manager
15. Mr. Vaiyawudh	Samakkarn	Security Manager

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

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

7.3 Company Secretary

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

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

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

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

7.4 Remuneration and Benefits to Board and Management

(1) Remuneration in Cash

Remuneration in cash is paid in term of meeting allowance and bonus. The company currently doesn't have the compensation policy excluding the salary and bonus which executives are the only one who received. In 2017, Nomination and Remuneration Committee has considered the remuneration and benefits to Board and Management, has compared with operating of company and economics status, give the opinion of remunerations to the Board of Directors, has considered that remuneration to directors by proposing to the Ordinary Shareholders' Meeting for approval, In the shareholders meeting 2017, the shareholders approved 2017 remuneration the same rate as year 2016, as follows:

Remunerations	Year 2017	Year 2016
Board of Director		
1. Bonus of Board of Director	920,000 Baht	920,000 Baht
2. Meeting Allowance per meeting		
- Chairman of Board of Director	17,000 Baht	17,000 Baht
- Vice Chairman	13,000 Baht	13,000 Baht
- Director	8,500 Baht /person	8,500 Baht /person
Remuneration of Committee		
Remuneration of Audit Committee : the audit committee receives the remuneration annually		
-Chairman of Audit Committee	52,000 Bahtper year	52,000 Bahtper year
- Audit Committee member	35,000 Baht/ person	35,000 Baht/ person
Remuneration of Nomination and Remuneration committee : their remuneration was meeting allowance		
-Chairman of Nomination and Remuneration committee	13,000 Baht/meeting	13,000 Baht/meeting
-Nomination and Remuneration Committee member	8,500 Baht /person/meeting	8,500 Baht /person/meeting

- Pay Bonus to Board of Directors at a total of Baht 920,000 for operation of year 2016

- 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 for year 2017, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval with annual remuneration to be paid in May yearly.

Remuneration of Nomination and Remuneration Committee for year 2017, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval. Their remuneration was approved at the rate to be given at each 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 Baht 3,000.-, Vice Chairman is Baht 2,250.- and Director is Baht 1,500.-. If at any time, director is not available to attend the meeting, the meeting allowance and other bonus will not be paid.

Zeer Property Public Company Limited.

In year 2017, the company has separated the operation of the business and the company does not send any representative to be a director in this subsidiary.

As at 31 December, 2017

- a) Total remuneration for 8 directors: Bonus and meeting allowance # Baht 2,195,750.00
 b) Total remuneration for 6 executives and management
 Bonus and meeting allowance, salary Baht 6,895,560.00

Remark 6 Executives are MD and 4 persons in the next four executive levels below Managing Director according to the regulation of the SEC. (Mr.Amorn Techaruvichit, Mr.Surapong Techaruvichit, Mrs. Pornpun Tanariyakul, Mrs.Oyetip Hayrabut, Mr.Theerarat Techaruvichit and Mr.Kriengsuk Jumaree)

Table shows the remuneration received by each director in fiscal year 2017

Name	Meeting Allowance	Meeting allowance for subsidiary AP, AA	Director Bonus	Bonus for Audit Committee	Bonus for Nomination/ Remuneration Director	Total Remuneration
1.Mr.Amorn Techaruvichit	156,000	54,000	145,264	-	-	355,264
2.Mrs.Suvimol Techaruvichit	102,000	36,000	96,842	-	-	234,842
3..Mr.Surapong Techaruvichit	102,000	36,000	96,842	-	-	234,842
4.Mrs.Pornpun Tanariyakul	93,500	33,000	96,842	-	-	223,342
5.Mr.Piyawudh Senapoopitaksa	102,000	36,000*	96,842	35,000	7,500	277,342
6.Mr.Sombut Pupipathirunkul	102,000	18,000*	96,842	35,000	11,250	263,092
7.Mr. Suwat Dusitrojawanongse	102,000	18,000*	96,842	52,000	7,500	276,342
8.Mrs.Chotima Puasiri	102,000	-	96,842	35,000	-	233,842

Remarks * 3 directors have appointed as consult of Managing Director of subsidiaries in year 2017.

(2) Other remuneration (If any)

- Other remuneration of director -none-

- Other remuneration of Executives: Provident Fund for executives, company support proportion 5% of salary.

The company pays for 5 executives (Mr.Amorn Techaruvichit, Mr.Surapong Techaruvichit, Mrs.Pornpun Tanariyakul, Mrs. Oyetip Hayrabut and Mr.Theerarat Techaruvichit) total amount Baht 234,300.00

7.5 Employee

In 31 December 2017, the company (Asia Bangkok) has a total of 525 employees.

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

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

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

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

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

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

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

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

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

Unit: Baht

	Year 2017	Year 2016	Year 2015
Salary	134,553,009.00	134,000,553.00	131,788,875.00
Bonus	2,538,959.00	6,220,276.00	3,971,026.00
Provident Fund	3,797,237.00	3,709,082.00	3,431,074.00

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

Furthermore, subsidiaries' remuneration procedure is similar to the company totaling of 197,119,689.13 Baht. Details are as follows:

Year 2017	Asia Pattaya Co., Ltd. (AP)	Asia Airport Co., Ltd. (AA)	Zeer Property PLC (ZP)
Total Employee (person)	248	271	437
Employee's Remuneration (Salary and Bonus) : Baht	42,945,953.00	58,248,847.13	91,596,026.00
Provident Fund : Baht	1,231,047.00	1,464,198.00	1,633,618.00

8. Governance

8.1 Policy on Corporate Governance

The company sees the influence of operation and performance of good quality governance since 2004 by using information from the former 15 sections of principle of governance to draw up the governance policy conducted in writing and promulgate in the company's website (www.asiahotel.co.th). Later in 2008, classification of governance has been adjusted, has developed to ASIAN Corporate Governance Scorecard (ASIAN CG Scorecard) and in 2016 the company has reviewed Corporate Governance Policy to support the Anti-corruption policy as the board of director approved to participate in an alignment of private cooperation against corruption (Collective Anti – Corruption) “CAC” in the year 2013.

The Securities and Exchange Commission (SEC) has introduced the Corporate Governance Code (CG Code) in the year 2017 as a guideline for the Board of Directors who are the leader and governing body of the listed company. It is used to regulate the business operations in the long run. Trust for the shareholders and the people around them for the sake of sustainability. The Office of the Securities and Exchange Commission (SEC) has provided the Company with corporate governance reports in the form of CG Code, commencing in 2018, which has been acknowledged by the Board of Directors for consideration and approval by “Apply & Explain” of CG Code of Conduct and Practices. This will be disclosed in the Annual Report and Form 56-1 in the following year.

The current corporate governance policy has been approved by the Board of Directors and is in writing and publish it on the company website (www.asiahotel.co.th).

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

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

The Board has self assessed in Corporate Governance for the year 2017 as follow:

1. Rights of shareholders and Equitable treatment of shareholders

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

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

3. The shareholder's meeting in 2016, The meeting documents were sent to shareholders not less than 10 days in advance, the meeting information were also presented on the Company's website; www.asiahotel.co.th. For the next years, the Company has a target to complete the meeting information 30 days before the meeting according to the corporate governance
4. The Company gave right to shareholders to study the company's information that wanted to be disclosed according to the rule and regulations. Annual Report was made in CD Rom for the shareholders and made in documents if they request. When the meeting needed to be held suddenly, no additional document distributed to shareholders, no meeting agenda added or no important information changed without prior notice. The Company gave shareholders right to have questions in the meeting and did not limit shareholders right to attend the meeting when they came late. The Company informed how to attend the meeting in advance by sending meeting invitation letter.
5. In case of appointing the proxy to attend the meeting. The Company has prepared 3 Proxy Forms according to the rule and regulation of the Ministry of Commerce and they are available on the Company's website. The Company recommends shareholders to use the Proxy Form (Form B) as it can put opinion for voting. This Form is attached with invitation letter. Moreover, the Company provides an additional option to shareholders to give the proxy to the Chairman of the audit committee and independent committee to attend the meeting.
6. In 2017, the company has policy and regulation of sending the questions about Annual General Meeting, therefore in October 2017, the Company considered giving chance to the minor shareholders to propose the meeting agenda in advance including nominating qualified persons to be director and shareholder question's 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 2017 to company secretary, email address: sudarat@asiahotel.co.th, to allow enough time for the Board of Directors to consider before proposing in the shareholders meeting 2018.
 On 31 December 2017, no one of shareholder propose any agenda and the person who nominating qualified persons to be director for annual general meeting for the year 2018. For questions about the meeting, one shareholder sent questions and suggestions to the company. The Board will consider and notify the meeting of shareholders.
7. The Company provided sufficient information of each meeting agenda in invitation letter for considering.
8. In 2017, total 8 directors (include 2 sub-committees) participated in the meeting together with the auditor the legal consultant and also the director of Zeer company, the subsidiary, to participate in the meeting so that when the shareholders have any questions, they can get explanation.
9. Chairman of the meeting provide opportunity to shareholders to give their opinion and have questions regarding activities and operating result in the past year and that the Company and subsidiaries expected in the future. Time is provided sufficiently and equally.
10. The Company uses card for voting in the meeting. Before starting the meeting, the secretary informs the meeting how to use the voting card. It depends on opinion of the quorum that "Agree" or "Not Agree" or "No Vote" with the opinion of directors. If any shareholders not agree or no vote, use this card and inform to the Company for deducting the vote from the total number of quorum then get the total "Agree" or "Not Agree" or "No Vote", summarize and inform the meeting. This method agreed by the meeting and the Company has applied it every meeting, especially, for the important agenda such as continuing connected transaction, acquisition and sale of asset. After getting the explanation, before voting, the secretary will inform the meeting again how to vote and if any member of the committee should conflict of interest from any agenda he will not be allowed to participate in that agenda.
11. The Company takes minute of shareholder meeting and record information and important matters such as name of directors participated, company information, name of independent financial consultants (if any) as well as summarizes the opinion and questions from shareholders, how to vote and count the vote and the meeting resolution separately by "Agree", "Not Agree" and "No Vote" for each agenda and send information to the Stock Exchange of Thailand and the registrar of Ministry of Commerce according to the law within 14 days after the meeting completed. The minute of meeting is planed to present to shareholders for giving opinion and verify through the

Company's Website within 15 days for Thai version and within 30 days for English version after the meeting completed.

12. The Company has the control on the use of inside information. Especially, board of directors and management executives established a policy to examine and supervise the operational results regularly. In other words, directors and executives are not allowed to trade the stock of the company before the financial statement disclosure for 1 month.
13. The Company Secretary discloses information of stakeholders who related with directors, management executives and related persons to directors to the first Board Meeting of the year. For the new director will sent this information to Company Secretary within 30 days from date of appointment and every directors will discloses information such as security holding (Form 246-2, Form 59-1 and Form 59-2), change of security holding, resigning and commencing so that the Securities and Exchange Commission (SEC) Office and the SET distribute information to shareholders and investors.

2. The Role of Stakeholders

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

1) **Employees:**

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

- 2) **Clients:** There are regulations to follow. Employees will be trained how to treat the clients fairly, render the best service, keep the client's secret and follow up with the complaints immediately.
- 3) **Debtors:** The Company has performed according to the condition of loan contract of every financial institute.
- 4) **Competitors:** Company supports the free trade competition policy and against destroying the competitors unethically.
- 5) **Supplier:** Company treats all suppliers and contractors justly and equally which will never damage the company's reputation and always take into account the equality in doing business and profit sharing. Consider that suppliers are the main factor to help add value of confidence to the customers.
- 6) **Communities:** The Company would not do any thing to damage the communities especially at the area nearby the business establishment of the Company.
- 7) **Environment:** The Company realizes the importance of environment and engaged in many environmental projects, giving knowledge to employees and monitoring the environmental quality continuously.

In 2013, the company has focused on the implementation of anti-corruption policy by participating in an alignment of private sector of Thailand against corruption (Collective Anti-Corruption) "CAC" to benefit both inside and outside of the organization. Currently, the company begins to prepare policies in accordance with the procedures. The board approved Anti-Corruptions Policy for Asia Hotel and subsidiaries and inform the staff about this act in company on 15 July 2015, and in December 21, 2016, the Company filed for being a member of private sector of Thailand Against Corruption (Collective Anti-Corruption) "CAC" to Thai Institute of Directors, the secretary of the project. In November 2017, the Company has acknowledged from the IOD that the company would have to submit additional information on certain issues that were not yet complete. The company will continue to improve its presentation in 2018.

However, even if not yet certified. The Company has adhered to the Anti-Corruption Policy and the policy manual. As well as the various regulations that have appeared on the company's website. It was distributed to all stakeholder.

3. Disclosure and Transparency

The Company discloses important information of the Company including financial and non-financial information correctly, completely, timely, and transparently and in accordance with the regulation of the SEC Office and the SET both in Thai and English language through SCP System which has been developed to pass

information straight through to the shareholders and SETSMART or in news title, www.set.or.th of the SET. At present the company added one more website to obtain information through www.asiahotel.co.th

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

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

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

4. Board Responsibilities

- ❖ The Company's structure of directors comprises of 8 members:
 - Management executives 3 members (Mr. Amorn Techaruvichit, Mr. Surapong Techaruvichit and Mrs. Pornpun Tanariyakul)
 - Non-management executives 1 members (Mrs. Suvimol Techaruvichit)
 - Independent 4 members (Mr. Piyawudh Senapoopitaks, Mr. Sombut Putipathirunkul, Mr. Suwat Dusitrojjanawongse and Dr. Chotima Puasiri)

Therefore, it currently has 8 members of directors, 4 audit committee members and 3 nomination and remuneration committee member as subcommittee and 15 members of management.

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

However, the company does not have the policy about the term and retirement of the directors and the independent directors since the policy is opposed to the culture of organization and have confidence in the independence of regulatory affairs at the organization.

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

8.2 Committee

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

- Audit Committee

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

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

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

The current Audit Committee has been appointed since May 2015, which will expire 3 years in May 2018. Therefore, the Nomination and Remuneration Committee will consider and propose to the Board of Directors for further consideration.

Audit Committee as at 31 December 2017

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

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

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

- (1) Review the accuracy and adequacy of the Company's financial statements.
- (2) Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the independence of the Internal Audit Office, as well as to approve the appointment, rotation and removal, and performance development and appraisal of the Chief Internal Audit or the Internal Auditor.
- (3) Monitor the Company's compliance with the Securities and Exchange Acts and Regulations of the SET, and any other laws relevant to the Company's business.
- (4) Recommend the Board of Directors an independent person to be the Company's auditor as well as the audit fees for appointment by the shareholders to audit the Company's financial statements.
- (5) Attend a meeting with external auditors without the presence of the Company's Management at least once a year.
- (6) Consider connected transactions or transactions with potential conflict of interests to ensure full compliance with relevant regulations and requirements of the SET for reasonableness and the best interests of the Company.
- (7) Review the Internal Audit Charter prior to submission to the Board of Directors for approval.
- (8) Approve the annual audit plan, scope of audit and internal audit budgeting.
- (9) Review the internal audit reports and follow up the significant issues from the reports.
- (10) Review the Code of Conduct prior to submission to the Board of Directors for approval.
- (11) Review jointly with the Management the risk management policy, the practice compliance with such policy, as well as the Company's risk management guidelines.
- (12) Review jointly with the Management the Management's Discussion and Analysis or MD&A section which is disclosed in the Company's annual report.
- (13) Prepare the Audit Committee's Report, signed by the Chairman of Audit Committee, promulgated in the Company's annual report and contained the information required by the SET.

- (14) Inspect any suspiciousness reported by the company's auditor, that the Chairman, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor.
- (15) Any other tasks assigned by the Board of Directors and agreed by Audit Committee.

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

The meeting of audit committee according to its charter shall be arranged at least once in a quarter. In 2016, there were 10 meetings arranged by audit committee and the result of the meeting and auditing including the consideration of financial statement of the company and subsidiaries every quarterly have been reported to the board of director for making conclusion and proposing to the committees' meeting of the company.

Meeting Participation of Audit Committee Table in the year 2017

Name	Position	Participate /Number of meeting
1.Mr. Suwat Dusitrojanawongse	Chairman of Audit Committee	9/9
2.Mr.Piyawudh Senapoopitaksa	Audit Committee member	9/9
3.Mr.Sombut Pupipathirunkul	Audit Committee member	9/9
4.Dr.Chotima Puasiri	Audit Committee member	7/9

- 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.

The Current Nomination and Remuneration Committee had appointed by the resolution of the Board of Directors' Meeting No. 1/2559 held on January 13, 2016, the three directors had be re-elected for another term. It will be completed in January, 2019.

Nomination and Remuneration Committeas at 31 December 2017

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

Responsibilities of the Nomination and Remuneration Committee as follows:

- (1) To recommend the structure and composition of the Board and committee together with the qualification of its members.
- (2) To recommend policy and process to recruit knowledgeable and capable persons suitable to nature of business of the company as directors and executives positions.
- (3) To recommend the list of nominees for the Board of Directors to be proposed to the shareholders' annual general meeting in case of vacancies by rotation and to the board in case of casual vacancies.
- (4) To recommend the list of directors for the committee members of the Company's.
- (5) To scrutinize the list of nominees for the Managing Director, Deputy Managing Director and Assistant Managing Director of the Company in case of vacancy including the establishment of the succession plan for executives.

- (6) To recommend the remuneration structure of the directors and Managing Director of the Company
- (7) To set up the performance evaluation of Management and propose to the Board.
- (8) To evaluate the performance of Managing Director and propose to the Board.
- (9) To recommend the remuneration structure of the directors and senior executives of the Company including meeting allowances, bonus, welfare and other benefits both in monetary and non-monetary terms.

The nomination and remuneration committee meeting according to its charter has not been specified but must be arranged as suitable in order to gather information on committees whose term will be ended and name list of the individuals to be advanced nominated by shareholders within 31st December of every year. In 2017 the above committee held one meeting and submitted a report to the Board of Director on the suitable persons nominated for committee. Committee remuneration to be concluded and proposed to the Board of Director's meeting before proposing to the shareholders' meeting for approval.

Meeting participation of Nomination and Remuneration in the year 2017 Table

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

8.3 Selection of committees and executives.

(1) Independent Director

Qualifications of Independent Directors are equal as the Securities and Exchange Commission's condition as follows:

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

working for unless having been relieved from such title for not less than 2 years before the date of appointment.

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

Nonetheless, company can not legitimate independent director to be in charge to maximum for 9 years (3 times of 3-year full term), in order to meet the Principles of Corporate Governance, the company culture has not yet supported as well as independent directors are experts in different fields, which the company is confident that each one can act freely and efficiently.

(2) Selection of Directors and executives

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

Based on Board self-assessment for the year 2017, all members of the Board of Directors were evaluated individually and in the short form. The process is according to the guidelines of the Stock Exchange of Thailand. The results of this year's assessment were 95% which was better than last year since the succession plan of key senior executives is considered in order to continue the business of the Company.

The Company has given a chance to minor shareholders to propose individuals to be considered as director and also propose meeting agenda in advance which criteria and qualifications are stated in the company's website under Investor Relation heading. The proposals were to made to the Secretary of Board of Directors for the 2018 Ordinary Shareholder Meeting within December 2017. The Secretary of Board of Directors will compile individual names proposed to Nominating Committee for verifying and proposing to Board of Directors for consideration before proposing to the Shareholder Meeting for appointment approval.

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

Succession Plan

The Board designated the Nomination and Remuneration Committee to recruit and formulate a succession plan of management's highest executives, to ensure continued performances. More importantly, the company has implemented a succession plan for management level which supervised by the Nomination and Remuneration Committee.

The Company has implement the succession plan from the management level or higher. As such, the analysis of knowledge, skills, strength and weakness have to be implement for the next candidate, for those who qualified to enter the development program. As 2018, the Nomination and Remuneration Committee have already been recruit and formulate a succession plan to the board.

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

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

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

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

8.4 Subsidiary company governance

The Company and its subsidiaries operate two main businesses: 1. Hotel and restaurant business and 2. Shopping center business. In 2011, the Board set the policy for the management of each group separately. Later in the year 2017, the shareholders resolved to cancel the policy of separating the company's business and its subsidiaries. There were many restrictions on running business in the past. Therefore, the business of the company may be overlap in two business in the future. However, the company has not changed the control of the subsidiary in any way. The practice continues as follows:

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

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

2. Shopping Center business (rental): The Company governs the operation of subsidiary companies by inviting all the Board of Directors from subsidiary companies to attend the meeting every quarters in order to follow up the operation and the directions of business. The Board of Directors from the Company sometimes suggest the directors to adjust the direction of the business in order to be conform to the others.

8.5 Control on the use of inside information

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

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

8.6 Auditor Remuneration

(1) Audit Fee

The company and subsidiary companies pay the audit fee to:

- Audit and Consultant Office that auditor occupied, person or business related to the auditor and audit and consultant office that the auditor occupied in last fiscal with total amount of ...5,888,000.00....Baht.

<u>Name</u>	Unit: Baht <u>Audit</u> <u>Fee year 2017</u>
Asia Hotel Public Co., Ltd.	1,594,000.00
<u>Subsidiaries</u>	
1. Asia Pattaya Hotel Co., Ltd.	1,054,000.00
2. Asia Airport Hotel Co., Ltd.	930,000.00
3. Zeer Property Public Co. Ltd.	1,680,000.00
4. Zeer Asset Co., Ltd.	90,000.00
5. ZEER OVERSEA LLC	290,000.00
6. Spa Hotel Co., Ltd.	<u>250,000.00</u>
Total Audit Fee	<u>5,888,000.00</u>

(2) Other Service Fees (Non-Audit Fee)

9. Corporate Social Responsibility

9.1 Overall Policy

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

Consequently, the company's board of directors have prepared a policy in responsible for every group of stakeholders under the corporate governance policy which has been drawn up in 2004. The company reviewed this policy in March 2016. Further information about the corporate governance is already said in topic 8 and is also disclosed in www.asiahotel.co.th and F56-1 report.

Nevertheless, the company currently does not report in accordance with the framework of GRI (Global Reporting Initiative). All of these may take time.

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

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

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

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

In July 2014, the Board of Directors meeting No. 9/2014 has approved the Anti-Corruption Policy and are adopted in the company and its subsidiaries. The company has reviewed Corporate Governance Policy, prepared Guide of the Anti-Corruption Policy, as well as A Whistle-Blowing and Protection of the Complainant Policy, Regulations of Give and Receive a gift, Regulations of donation for a charity or becoming a patron, which will be consistent and support Anti-Corruption Policy. In addition, there has been a communication to all concerned parties. In particular, training employees to have knowledge, understanding, and awareness of the policy. The Audit Committee is reviewed for completeness and correctness of the implementation of the Anti-Corruption Policy.

In December 21, 2016, the Company sent out the self-assessment report and the related anti-corruption details to Institute of Directors (IOD) which is secretary of this "CAC" project, in order to be approved of being a member of private sector of Thailand Against Corruption (Collective Anti-Corruption) "CAC". Subsequently, the CAC Council held a meeting on November 10, 2017. The resolution was approved by the CAC Council to bring the documents back to the CAC on the recommendation of the CAC sub-committee. Asia Hotel Public Company Limited will enter the space for participation in the program for 6 months (Black out Period) from the resolution date. (November 10, 2017). The CAC Sub-committee suggested the company

reviewed and revised two key issues. The company can re-enter the project after the black out period, by signing the declaration of intent again. (Approximately May 2018)

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

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

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

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

- 4.1 Children of employees are encouraged to come to hotel with their parents during their school break, to read or enjoy their day in a provided area. Moreover, employees are allowed to look after their children during lunch break.
- 4.2 The Company also supports the employees saving project by approving the Asia Hotel Saving and Credit Cooperative Limited to be founded more than 17 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 2017).
- 4.3 The company set up the welfare directors including the hotel manager and the head of departments to monitor the welfare of employees such as cremation fund and helping the flooding victim.
- 4.4 Provident Fund managed by Thanachart Fund Management Co., Ltd. has been provided for employees' and executives' security since 2011.
- 4.5 The management has set up a project to benefit the employees and extended to their relatives and friends to book accommodations in all 4 hotels: ASIA Bangkok, Asia Airport, Asia Pattaya, and Asia Cha-am at special prices. The bookings need to be verified by Personnel Department.

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

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

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

Occupational Health and Safety Policy

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

- To prevent accidents caused by fire and explosion.
- To prevent chemical hazards

- To prevent injuries caused by mechanical works
- To prevent dangers from electrical works

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

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

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

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

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

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

6.5 “Green ASIA Hotel” Project. The company has participated in Green Leaf Project to develop the efficiency of the energy usage and also to develop the tourism and hotel business environment. The aim is to focus on the energy and resource usage with realization. Asia hotel has already supported this project continuously by establishing the Green ASIA committee including restaurant personnels, housekeepers, mechanic personnels, stewards, and accountants which are add up to around 40 persons. These committees together with outside consultants are brainstorming and established 3 issues to improve including energy, waste materials sorting, and safety.

In 2014, Asia hotel has been selected to be an operative model of “Green Hotel” for other hotels who are participated in. The model of operation including

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

At the present Asia hotel did not join in Green Leaf Project but Asia hotel has already supported Green ASIA Hotel continuously and has continue to apply to subsidiary hotels.

6.6 Employee Safty. The Company always reminds of the safety of all the employees. In 2017, there were 6 cases which was less than the accidents in 2016, 7 cases. Mostly, it was because they slipped, be sharp and failed, especially in the kitchen.

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

7.1 On 15 January 2017, the company invited neighbors to join food offering to 108 monks. The activity is scheduled annually and it has been done for over 10 consecutive years.

7.2 On 13 January 2017, the company joined activities with the community and schools nearby – Sarmachevasil School and Kingpetch School on the National Children’s Day by hosting lunch, gift and provided some activities.

7.3 On 29 March 2017 and 13 November 2017, the executives and employees joined the blood donation activity at Siriraj Hospital. It is done at least once a year. While in this year there're plenty of seminar's guests and renters that participated in the activity as well.

7.4 On 12 August 2017, the executives and employees have invited neighbors around the area to felicitate the queen due to her birthday in order to show respect together with the local neighbors.

7.5 On 14 October 2017, the executives, employees and their families have participated in Katin dedication at Yai Suwannaram temple which is at Petchburi province to promote Buddhism religion. The company also tries to arrange this activity with its subsidiaries every year.

7.6 Devotional activities The company invited employees and neighbors who to be interested in the invention of flowers to Bangkok to bring to the temple to use the royal burial. His Majesty King Bhumibol Adulyadej. The hotel arranges the instructor-made flower arrangements. In addition, employees are encouraged to attend the ceremony on October 26, 2017.

On October 13, 2017 at 15.52 pm, the management and staff of Asia Hotel Bangkok join activity to standing still for the sorrow and remembrance of His Majesty King Bhumibol Adulyadej on the 1st anniversary of death.

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

Human resource is one of the key in order to operate hotel business successfully. The company participates in a program of human resource development for hotel and tourism with renowned institutions, to develop bachelor, and vocational and high-vocational certificate graduate.

1. Bachelor Degree

Human resource development for hotel and tourism program has established with the participation of University of Thai Chamber of Commerce, Thai Hotel Association (THA), Association of Thai Travel Agent (ATTA), DusitThani PCL, Erawan Group PCL, Hotel and resort under Centara, Siam @ Siam Hotel group, Regent Cha-am beach resort, and Asia Hotel PCL.

Project Objective: To allow students in University of Thai Chamber of Commerce to participate in hotel and tourism industry with highly experienced professionals. Student shall graduate to become a quality professional worker, appropriate to the needs of business and increase the ability to complete with international sustainable.

The project outline and agreement are the followings:

- 1.1** Requirement for Hotel participated in the program
 - 1.1.1 Management and Service Policy Standard
 - 1.1.2 Responsible people to cooperate and give advice for students
 - 1.1.3 Prepare sufficient resource and budget for students
 - 1.1.4 Propose a job description to the university prior to the program
 - 1.1.5 Present legitimate criteria of student selection to the program
- 1.2** Academic standard
 - 1.2.1 Preparation process, orientation training session and the company regulation to acknowledge students
 - 1.2.2 Students need to work full-time with employee, the hotel assign the taxk to match the course of study
- 1.3** A mentor, have to expertise in the work, be consulting, take care, advice and evaluate the performance of student, present to the institution. The hotel must inform mentor's name in advance.
- 1.4** Evaluation standard and audit process will be made by hotel.

The above project, the student will work is at least 3 star-hotel according to THA standard. The program lasts for 3 year from August 1, 2016 to July, 31st 2019. The agreement will be reviewed every year to update and evaluate the program. This agreement has established since December 16th, 2015.

2. Vocational and high-vocational certificate

There are 2 programs established with 2 schools as the followings:

2.1 Sukhothai Commerce Technological College, Dusit Bangkok

The program has started since September 2015

Objective: To support and develop students in high-vocational level of hotel and business program in accordance with the requirement of the enterprises in systematic and continuous. To develop the curriculum. To develop teacher practice. To get the graduate to work in the company.

Participation includes teacher from the college and 2 hotel representatives to cooperate and run the program together. It has started since 2014. Yet, the timeline of program is open-ended. It needs a year notice either from hotel or school to end the program. However, hotel need to responsible for students participated to graduate.

2.2 Khemarat Industrial And Community Education College, Ubonratchathani Thailand

The program has started since May 2015

Objective: To support and train student in vocational level.

To develop semi-skilled technician, technician for hotel and tourism business.

To develop the potential of student to be higher professional qualification with Asia Hotel.

To develop vocational teaching course, so that the student can work effectively in accordance with the requirement of enterprises in systematic and continuous.

The program has started since September 2015. The program consists of 3 semesters, started from April 1, 2014 to present. Uniform, travelling fees, medical fees, and accommodation are absorbed by hotel. There will be mentor to take care of the students. The contract is made year by year.

2.3 Nakhon Pathom Vocational College

The project started in September 2017.

Objective: To support the development of human resources of the Office of Vocational Education in a systematic and continuous manner. To coordinate cooperation between the government and the private sector in the development of manpower, morality, knowledge, skills and technology and to increase the number of vocational students to meet the needs of enterprises.

This program period are not less than 5 years. The Asia Hotel is responsible for co-developing the training program with the educational institutions and monitoring the evaluation and solve problems arising from student internships and students effectively.

In addition, Asia Hotel Group have a cooperation with many education institute regularly, the student are interested in various disciplines in hotel to increase knowledge and work experience before their graduation and doing actual work.

EVENT AND ACTIVITIES

On 14 October 2017
 Katin dedication at Yai Suwannaram Temple,
 Petechburi



On 15 January 2017, the company invited
 neighbors to join food offering to 108 monks



EVENT AND ACTIVITIES

On 12 January 2017, Activities with community and King Petch School on the National Children's Day



On 24 March 2017
 The company donated to Wat Suankaew



Blood Donation Activity
 for the year 2017 on 29 March 2017



EVENT AND ACTIVITIES

Fire Prevention Staff Training for the year 2017
on 10-11 November 2017



10. Internal Control and Risk Management

The Board of Directors sees the importance of a good internal control system. All the boards give a priority to all the risk factors in the company; therefore, they establish a Risk Management Team in order to supervise all the related risk factors. The Risk Management Team are comprised of the executives and management, the chief divisions and the chief departments. The Risk Management Team set rules, regulations and procedures to prevent and manage risks in terms of revenue, operating costs and anti- corruption. There are also the follow up of the project by preparing the report of internal risk management and send to Audit Committee every quarter. It is also 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 laws, rule regulations and policies.

The Risk Management Team as at 31 December 2017

1. Mr. Kriengsak	Jumaree	Hotel Manager
2. Mr. Suporn	Srisutanyawong	Food & Beverage Manager
3. Mr. Thongpoon	Duangchompoo	Assistant F&B Manager
4. Miss Somsri	Tangtatpongsathorn	Accounting & Finance Manager
5. Miss Ganlayanee	Rounggrayubchai	Director of Sales
6. Miss Chrinphat	Wittayakeeratinun	Assistant Director of Sales
7. Miss Orrathai	Panyai	Assistant Public Relations Manager
8. Mr. Piya	Tongpim	Assistant Chief Engineer
9. Miss Patcharanee	Techaruvichit	Assistant HR Manager
10. Mrs. Sudjai	To-Pol	Assistant Housekeeper
11. Mr. Pornchai	Butboran	Laundry Manager
12. Mr. Wuttinun	Srisuk	IT Manager
13. Mr. Vaiyavuth	Samakkarn	Chief Security

In this year, the Risk Management Team has joined and prepare a risk assessment report for each department to reduce risks, increased productivity and submitted to the Audit Committee every quarter.

The company has appointed Mrs. Linda Roongfangarm to be an Internal Auditor of the Company. Her duty is to be a consultant of the company, evaluate the internal control system, and follow up the risk management and governance of the company to be arranged sufficiently and efficiently according to the objective established. She also performs a role of inspecting the company to ensure that the practice of the company is under the rules, regulations and laws relating to the business of the company according to annual internal audits plan. Mrs. Linda Roongfangarm has performed her duty satisfactorily according to the internal audit procedure of 2017.

In the Year 2017, The adequacy of the internal control system finds that the company has a concise, appropriate and adequate control system. Each of the system in the company is controlled with enough efficiency and effectiveness. The operations have been carried out according to the rules, regulations and laws without any significant faults in the internal control system.

Audit Committee has audited according to the audit form of adequacy and suitability for internal control of the SEC of Thailand and SET by considering 5 aspects for internal control and proposed to the meeting of board of directors No. 2/2561 that held on 27 February 2018. 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. **Control Environment:** the board of director of the company has established the operation policies, which were conducted in writing based on ethical provision and integrity. The committee has the role of surveillance, monitoring the administrative section and follow up the business performance respecting the particular objectives. The committee can also develop the internal control system continuously in accordance with their discretion and knowledge of the company. The company also has a policy to develop and preserve the competent personnel. The personnel evaluation is assessed through the performance based on the Code of Conduct.
2. **Risk Management:** The Company lends significance to the risk management by forming the risk management team to conduct the assessment on risks that might affect the Company's operation

significantly from both internal and external risk factors every quarter. The company has assessed risk factors whether it is acceptable or not and also evaluated if the risk factors can be reduced, avoided or shared to find out measures for preventing or reducing the risk by considering a chance of corruption within the company. Another purpose is to consider the situation related to risk factors for evaluating the tendency of any effect on the company.

3. Control activities: The Company has clearly defined the scope of duty and amount shall be authorized by each level of management executives in writing. Duties are separated to protect racketeering activities. The company has set the follow up measure according to SET and SEC regulation to inspect the related documents in order to maintain the benefits of the company. The Company continuously monitors the operations of subsidiaries and sets the direction to the person who has been appointed by the Company to be directors or management executives to follow. Moreover, Audit Committee has placed great emphasis on assessing the compliance to the rules and regulations relating to the business activities of the Company to diminish the risk in the business and maintain the fame of the Company.
4. Information and Communication: The Company provided effective internal and external communication, accounting and financial information system as well as providing enough useful information for the board directors for consideration and making decision. Conference proceedings and documentaries also provide if any retrospective examining is required. Communication between committees, auditors, and internal auditors is also consented besides the conference. Moreover, the company provides the notification center for any compliments and complaints through the company's website.
5. Monitoring activities: The Company provided the measure to follow up internal control system continuously. The auditing result will be reported to the Audit Committee and its copy will be proposed to the management executives and inspectors for acknowledgement and taking the opinion of internal auditor to improve defects or weakness found from auditing as well as reporting the follow-up result for improvement of each department to Audit Committee.

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

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

11. Related Parties and Transactions

Standard and procedure of entering into connected transaction

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

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

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

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

Policy or tendency of entering into connected transaction in the future

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

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

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

In year 2017, The company and its subsidiaries had 14 connected transactions as follows:-

ASIA	Asia Hotel Public Co., Ltd.	AA	Asia Airport Hotel Co., Ltd.
AP	Asia Pattaya Hotel Co., Ltd.	ZP	Zeer Property Public Co., Ltd.
ABK	A.B.K.Enterprised Co., Ltd.	DM	DonMuang Grand Plaza Co., Ltd.
NSI	Num Seng Insurance Public Co., Ltd.	.	.

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

Description Inter-transaction of loan and accrued interestpayable

Value (Million Baht) Baht 60.95 Million for the year 2016
 Baht 59.00 Million for the year 2017

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

2. Name and Relationship AP, a subsidiary (in the proportion of shares of 99.42%) and ASIA, the registered company

Description Inter-transaction of loan and accrued interestpayable

Value (Million Baht) Baht 191.17 Million for the year 2016
 Baht 194.58 Million for the year 2017

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

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

Description Income from rental

Value (Million Baht) Baht 1.20 Million for the year 2016
 Baht 1.20 Million for the year 2017

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

4.Name and Relationship ASIA, a registered company, AA , AP, ZP, a subsidiary company and Namseng Insurance Public Company Limited “NSI” has 1 members on the board of directors of ASIA, AA, AP and hold shares in the ASIA, NSI (Mrs.PornpunTanariyakul)

Description Made property risk insurance with the All Risk Insurance and Public Liability Insurance. The value is calculated as premium.
 In year 2017, ZP especially made business interruption insurance increased, to Support the potential diaster because the Shopping center has high risk of unexpected accident.
 The period of insurance was 1 year, NSI-The insurer and ASIA, AA, AP, ZP - The insured

Value (Million Baht) ASIA= Baht 0.92 million for ASIA Amount Insured: Baht 1,853.0 million
 AA = Baht 0.59 million for AA, Amount Insured: Baht 1,322.0 million
 AP = Baht 0.34 million for AP, Amount Insured: Baht 753.0 million
 ZP = Baht 4.78 million for ZP, Amount Insured: Baht 5,370.0 million

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

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

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

Value (Million Baht) Baht 10.61 million for the year 2016
 Baht 10.89 million for the year 2017

Importance and Reasons AA rented area on 5th floor with an area of 9,072 square meters from ZP to use as function room. Rental period is 3 years from 1st April 2016 to 31st March 2019 by using the same rate as the other clients in nearby area.

6.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 2016
 Baht 390 Million as the end year 2017

Importance and Reasons AA has leased some areas of G floor, the 6th floor and the 9th floor and entire area of the 10th -17th floor, with a total area of 39,380 square meters from ZP. The contract period will be expired on Mar 31, 2023 or 12 years remaining. On Dec 18, 2009, AA renewed the lease contract for extension of the contract period for another 16 years that is from April 1, 2023 to Mar 31, 2039 or 28years 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.

7.Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Income from rental area and service fee AA received from ZP
Value (Million Baht)	Baht 1.72 Million for the year 2016 Baht 1.72 Million for the year 2017
Necessity and Rationality	ZP rented the area on 8 th floor with area 520.4 square meters with a 3-year contract from 1 July 2015 to 30 June 2018 at the monthly rate Baht143,110.- with the same rate as the other clients in the nearby area.

8.Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Income from area rental AA received from ZP
Value (Million Baht)	Baht 1.41 Million for the year 2016 Baht 1.41 Million for the year 2017
Necessity and Rationality	ZP rented 6 th floor area from AA with 3 years contract from 1 January 2016 to 31 December 2018 at the monthly rate Baht 117,612.- with the same rate as the other clients in the nearby area

9.Name and Relation	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
Nature of Transaction	Income from Maintenance Fee ZP received from AA
Value (Million Baht)	Baht 2.70 Million for the year 2016 Baht 2.89 Million for the year 2017
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 maintenance service contract is 3 years (1 January 2015 – 31 December 2017) with service fee start from Baht210,618.- for the first year and each higher 7% for the second and third year. At present this contract is extended for 3 years from 1 January 2018 – 31 December 2020 with the new monthly rate of Baht 265,250 for 3 years, up 10%

10.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)	Baht18.69 Million for the year 2016 Baht17.00 Million for the year 2017
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 rental contract is 3 years (1 November 2016 – 31 October 2019). At present AA rent a new building as banquet rooms from ZP in Project Asia Cham Hotel, the new rental lasts until October 2019.

11.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 0.69 Million for the year 2016 Baht 0.76 Million for the year 2017
Necessity and Rationality	AA rented parking area from ZP for the convenience of hotel clients with 3 year contract from March 1 st , 2016 to February 28 th , 2019 at the rate of Baht 58,462.- per month for the 1 st year, 64,308 baht/month for the 2 nd year and 70,739 baht/month for the 3 rd year.

12.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 0.83 Million for the year 2016
 Baht 0.88 Million for the year 2017

Necessity and Rationality AA uses the parking management service from ZP with 3 years contract period from June 1st, 2017 to May 31st, 2020 at the rate of 74,280 baht/month for the 1st year, 76,880 baht/month for the 2nd year and 79,570 baht/month for the 3rd year.

13.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 and building from DM

Value (Million Baht) Baht 22.34 Million for the year 2016
 Baht 22.34 Million for the year 2017

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 2nd quarter of 2007 approved extension of lease agreement for another 25 years. Total remaining period is 31 years according to TAS16

14.Name and Relationship ZP, a subsidiary of ASIA, held share in proportion 94.85%. And DM, a related company. Some members of board of directors (Mr. Amorn Techaruvichit and Mr. Surapong Techaruvichit) held shares in ZP and DM.

Description Debt guarantee transaction of ZP secured by DM

Value (Million Baht) Baht 1,230 Million for the year 2016 to guarantee for credit line
 Baht 1,125 Million for the year 2017 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.

12. Summary of Financial Information

12.1 Consolidate Performance

Summary Status of Asia Hotel Public Company Limited and its subsidiaries

Unit: Million Baht

	<u>2017</u>	<u>2016</u> Restated	<u>2015</u>
Income from hotel business	710.15	661.37	753.03
Rental and Service Income	610.26	620.33	611.68
Total Revenues	1,320.41	1,281.70	1,364.72
Gross Profit	396.93	359.52	444.98
Other Income	260.37	82.74	88.69
Reversal of provision for doubtful-net	1.88	(2.56)	209.36
Earning before interest and tax- EBIT	292.80	134.84	440.87
Net Profit (Loss) (Equity holder of the Parent)	153.45	3.53	290.68
Net profit (loss) per shares-EPS	4.80	0.11	9.08

Summary Status

Total Assets	9,299.84	9,029.15	9,113.72
Total Liabilities	3,617.97	3,599.15	3,638.41
Shareholders' Equity	5,681.87	5,430.00	5,475.31

12.2 Financial Ratio

Financial Ratios of Asia Hotel Public Company Limited and its Subsidiaries

	<u>2017</u>	<u>2016</u> Restated	<u>2015</u>
Gross Profit Margin (%)	30.06	28.05	32.61
Net Profit (loss) Margin(%)	9.71	0.26	20.00
Return on Assets (%)	1.67	0.04	3.30
Return on Equities (%)	2.76	0.06	5.74
Debt on Equity –D/E (times)	0.64	0.66	0.66
Book Value per share (Baht)	177.56	169.69	171.10
Weight average number of common shares	32,000,000	32,000,000	32,000,000

13. Analysis and explanations by the management

1. Overall picture of the business operations

In the year 2017, the company and subsidiaries had total revenue of 1,320.41 million baht (in the year 2016 had total revenue of 1,281.70 million baht), an increased of 38.71 million baht, or 3% from last year due to in the 2017 due to expansion in thai tourism industry and popular with tourist. Therefore, the company and subsidiaries had revenue from hotel business of 710.15 million baht, increased of 48.78 million baht or 7.4% from last year and revenue from rental and service of 610.26 milion baht, in the year 2016 had revenue of 620.33 million baht, decreased from last year 10.07 million baht or 1.6%. The company and its subsidiaries had total gross profit 396.93 million baht, increased from the previous year by 37.41 million baht or 10.4% higher, and had net profit (the net worth of the parent company) amount to 153.45 million baht, increased from last year 149.92 million baht.

Overall picture of Revenue and gross profit from operating result in 2017

	Revenue				Cost				Gross Profit				
	2017	2016	Increase (decrease)	%	2017	2016	Increase (decrease)	%	2017		2016		
Hotel Revenue													
Room	439.01	400.08	38.93	9.7	234.74	242.87	(8.13)	-3.3	204.27	46.5%	157.21	39.3%	
F&B	271.14	261.29	9.85	3.8	218.55	223.47	(4.92)	-2.2	52.59	19.4%	37.82	14.5%	
	710.15	661.37	48.78	7.4	453.29	466.34	(13.05)	-2.8	256.86	36.2%	195.03	29.5%	
Rent & Service Revenue													
Domestic	586.00	602.69	(16.69)	-2.8	460.41	446.89	13.52	3.0	125.59	21.4%	155.80	25.9%	
Overseas	24.26	17.64	6.62	37.5	9.78	8.95	0.83	9.3	14.48	59.7%	8.69	49.3%	
	610.26	620.33	(10.07)	(1.6)	470.19	455.84	14.35	3.1	140.07	23.0%	164.49	26.5%	
TOTAL	1,320.41	1,281.70	38.71	3.0	923.48	922.18	1.30	0.1	396.93	30.1%	359.52	28.1%	

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had total revenue of 610.26 million baht in the year 2017, a decrease of 10.07 million baht or 1.6% from last year, caused by some areas are closed for improvement.

2. Operation results and profitability

In an analysis of the operation results for 2017 and profitability of the company and its subsidiaries classified according to the revenue structure, cost of sale and service, expense on the operations and financial cost as follows:

Revenue from the hotel business

The company and its subsidiaries had revenue from the total hotel business for 2017 in the amount of 710.15 million baht, an increase from the previous year by 48.78 million baht or 7.4% higher. The revenue from the hotel business consisted of income from rooms and serviced apartments and income from the cost of food and beverages as follows:

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2017	2016	2017	2016	2017	2016
Revenue						
Revenue from hotel business	439.01	400.08	271.14	261.29	710.15	661.37
Proportion of room : F&B	61.8%	60.5%	38.2%	39.5%	100.0%	100.0%
Cost of sale	234.74	242.87	218.55	223.47	453.29	466.34
Cost ratio (Cost of Sale/ Revenue)	53.5%	60.7%	80.6%	85.5%	63.8%	70.5%
Gross Profit	204.27	157.21	52.59	37.82	256.86	195.03
GP margin (Gross profit/Revenue)	46.5%	39.3%	19.4%	14.5%	36.2%	29.5%

A) Income from the rooms

The company and its subsidiaries operated four hotels consisted of Asia Hotel, which situated in Rajathevee district, Bangkok; Asia Pattaya Hotel at Pattaya city; Asia Airport Hotel in Rangsit, PathumThaniprovence, and Asia Hotel Cha-am at Cha-am Beach, Phetchaburi province. The company and its subsidiaries had revenue from rooms in 2017 totaled 439.01 million baht, an increase from the previous year by 38.93 million, or 9.7% higher. It was resulted from all the hotels had increased occupancy rate with the average occupancy rate of four hotels in 2017 equaled to 62.55%. While the previous year had the average rate of occupancy equaled to 56.50%. The hotel with the highest occupancy in 2017 is Asia Bangkok Hotel with average occupancy rate was 73.40%, an increase of 11.27% over the previous year (average occupancy rate was 62.13% in 2016). The hotel with the lowest occupancy rate in 2017 is Asia Cha-Am Hotel with the average occupancy rate was 46.36%, an increase of 12.29% over the previous year (average occupancy rate was 34.08% in 2016).

However, the average room rate of the four hotels in 2017 decreased from the previous year with the average room rate in 2017 equaled to 1,270.00 baht lower than the previous year which had the average room rate equaled to 1,285.00 baht as follow:

The average occupancy and the average room rate of hotel business

Average Occupancy	2017	2016	Increased/(decreased)
Asia Hotel Bangkok	73.40%	62.13%	11.27%
Asia Pattaya Hotel	62.49%	58.68%	3.81%
Asia Airport Hotel	55.29%	58.47%	-3.18%
Asia Cha-um Hotel	46.36%	34.08%	12.28%

Average Room Rate	2017	2016	Increased/(decreased)
Asia Hotel Bangkok	1,510	1,560	(50.00)
Asia Pattaya Hotel	1,110	1,160	(50.00)
Asia Airport Hotel	1,110	1,060	50.00
Asia Cha-um Hotel	900	945.00	(45.00)

Other than the revenue from the guest rooms in the hotels as mentioned above Asia Airport Hotel, which is a subsidiary also had incomes from serviced apartments, a long-term rent of rooms with the same service as a hotel. This revenue is not much compared with the room income of the hotels. In 2017 it had the revenue from the serviced apartments was 5.54 million, or about 6.60% of the guest room income of Asia Airport Hotel Rangsit.

B) Income from food and beverages

The company and its subsidiaries had the income from food and beverages from restaurants and banquets in 2017 amounted to 271.14 million baht, increased from the previous year in the amount of 9.85 million baht, or 3.80% higher. They had the ratio of income from the room compare to food and beverage in 2017 was 61.80:38.20 which is nearly the same thing in 2016, or 60.50 : 39.50

The income from food and beverages are from the restaurants in the hotel and the general banquets. The income from food and beverages from the restaurants usually related to the room income. Thus, the more hotel customers, the more income from food and beverages. There is an increase in the food and beverage segment in 2017 due to increasing in room income. Income from the banquets usually depended on a company's marketing to have customers of a meeting, seminar or banquet. In 2017 income from banquets has decreased from 2016 in the amount of 5.00 million baht or 3.78% lower. The rate is slightly lower due to On October 13, 2016, His Majesty King Bhumibol Adulyadej's death was announced official mourning by the government for a period of one year which is affect to operation of the year 2017.

Income from rent and services

Income from rent and services came from the income from leasing space of Zeer Property and the subsidiaries in three areas. They are at ZeerRangsit Shopping Center, Asia Hotel Cha-um Building, and the commercial building "Glendale &Glenhurst" in California, the USA, operated by Zeer Overseas LLC, which is a subsidiary of Zeer Property, incorporated in the USA.

The rental business of the company had higher revenue in 2017. The company and its subsidiaries had income from rent and service amounted to 586 million baht, decreased from the previous year by 16.69 million baht, or 2.8% lower.

Other Income

Other revenue consisted of health club, car parking, rental, service and electricity, laundry, telephone, gain on exchange rate, income on insurance compensation and other revenue collected from customers and miscellaneous things.

Details on other incomes	2017		2016		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Health club and car parking	5.22	2.01	5.23	6.31	(0.01)	- 0.2
Rental, Service and Electricity	53.74	20.64	55.90	67.56	(2.16)	-3.9
Gain on Exchange rate	0.74	0.28	0.72	0.87	0.02	-89.4
Gain from sale of assets	0.18	0.07	0.17	0.21	0.01	5.9
Income on insurance compensation	180.96	69.50	0.22	0.27	180.74	100.0
Others	19.53	7.50	20.50	24.78	(0.97)	-4.7
Total Other Income	260.37	100.00	82.74	100.00	177.63	214.7

In 2017 the company and its subsidiaries had other incomes totaling 260.37 million baht, increased from the previous year amount 177.63 million baht or 214.7% higher due to the severe flood crisis in Thailand in 2011, the subsidiary, Zeer Property Plc., has been affected from the damaged assets. The subsidiary has insurance coverage for loss or damage from flood. The subsidiary has received partial compensation and has filed civil lawsuits against two insurance companies to claim for the compensation

On February 9, 2016, the Court of Appeals ordered two insurance companies to pay: Baht 120.49 million to the subsidiary, plus interest rate of 7.5 percent per annum on such principal as from October 21, 2011; a penalty of Baht 4.00 million; and court fees and attorney fees of Baht 0.50 million. The two insurance companies have filed an appeal with the Supreme Court on April 7, 2016.

On December 6, 2017, the Civil Court read the Supreme Court Order. The Supreme Court, according to its Order dated July 4, 2017, dismissed the defendant's petition. Therefore, the two insurance companies must comply with the judgment of the Court of Appeals. As a result of the litigation, the subsidiary recorded gain on compensation from insurance claim in the amount of Baht 124.99 million and interest from compensation on an insurance claim of Baht 54.79 million as other income in the consolidated statement of profit or loss for the year ended December 31, 2017. Currently the subsidiary in the process is requesting payment of compensation under the judgment of the Court.

Cost of sale and service

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

In 2017 the company and its subsidiaries has cost of sale and service totaled for 923.48 million baht, increased from the previous year by 1.30 million baht, or 0.1% higher, due to total income of the company and its subsidiaries has increased with 3% of income but the cost of sales is a little higher than the rate of increase of income which is 0.1%, then the gross profit margin is 30.1% in 2017 and 28.1% in 2016.

Cost of sale and service	Room		Food & beverages		Rent and service		Total Hotel Business	
	2017	2016	2017	2016	2017	2016	2017	2016
(Unit: Million baht)								
Cost of sale	234.74	242.87	218.55	223.41	470.19	455.84	923.48	922.18
Cost Ratio	53.5%	60.7%	80.6%	85.5%	77.0%	73.5%	69.9%	71.9%
Gross Profit	204.27	157.21	52.59	37.82	140.07	164.49	396.93	359.52
GP Margin	39.3%	39.3%	19.4%	14.5%	23.0%	26.5%	30.1%	28.1%

In 2017 and 2016 the company and its subsidiaries has the cost ratio equaled 69.9% and 71.9% respectively. The company and its subsidiaries has gross profit margin in 2017 and 2016 equaled 30.1% and 28.1% respectively. The cost of sale and service can be classified as following:

a) Cost of room sale

In 2017 the company and its subsidiaries had the cost of room sale of 234.74 million baht, decreased from the previous year by 8.13 million baht, or 3.3% while income from room in 2017 was increased to equaled 38.93% from the previous year, it is resulting gross profit margin of room revenue higher, with the cost ratio for room for 2017 and 2016 equaled to 53.5% and 60.7% respectively and gross profit margin in 2017 and 2016 equal to 46.5% and 39.3% respectively which cost ratio for room was decline from the previous year then the company and its subsidiaries has gross profit margin higher.

b) Cost of food sale and beverages

In 2017 the company and its subsidiaries had the cost of food and beverage sale of 218.55 million baht, or decreased by 4.92 million baht, or 2.2% lower from the previous year. They had the ratio of the cost of food and beverage sale for 2017 and 2016 equaled to 80.6% and 85.5% and the gross profit margin for 2017 and 2016 equaled to 19.4% and 14.5% respectively. The cost ratio of food and beverage sale was decreased in 2016.

c) Cost of rental and service

In 2017 the company and its subsidiaries had the cost of rent and service at 470.19 million baht, or increased by 14.35 million baht, or 3.1% higher from the previous year due to depreciation cost and renovation cost was higher from in rental area. While income from rent and service was lower by 10.07 million baht or 1.6% so the gross profit margin for rental and service income was lower. The Cost ratio for 2017 and 2016 equaled to 77.0% and 73.5%, and the gross profit margin for 2017 and 2016 equaled to 23.0% and 26.5% respectively.

Expenses on the sale, administration and others

In 2017 the company and its subsidiaries incurred the expense on sale and service and other expenses totaled 364.50 million baht, increased from the last year by 57.08 million baht, or 18.57% higher, which resulted from expenses on sale decreased by 3.3 million baht, the administrative expense from the operations increased by 14.78 million baht and loss from fixed assets revaluation of building and public utility system of Zeer Oversea LLC and Cha am Project which was decreased by 16.68 million baht and 34.23 million baht respectively. It has details on the increase or decrease from the previous year on the expense of each type as follows:

Expenses on the sale, administration and others (Unit: Million)	2017	2016	Increase (decrease)	
			Amount	%
Selling expense	64.52	67.85	(3.33)	-4.91
Administrative expense	232.80	218.02	14.78	6.78
Loss from fixed assets revaluation	50.75	-	50.75	100.00
Management benefit expense	14.88	15.69	(0.81)	-5.16
Directors' remuneration	3.43	3.30	0.13	3.94
Reversal of provision for doubtful debt	(1.88)	2.56	(4.44)	-173.44
Total Other Expense	364.50	307.42	57.08	18.57

Profit before the financial cost and the income tax

In 2017, the company and its subsidiaries had the earnings before interest and taxes (EBIT) of 292.80 million baht, increased from the previous year by 157.96 million baht, or 117.15% higher which resulted from the increased profit margin of operation and the increased gain on compensation from insurance by 180.74 million baht, therefore in the year 2017 the earnings before interest and taxes was increased from last year.

Financial cost

In 2017 the company and its subsidiaries had the financial cost amounted to 113.56 million baht, increased from the previous year by 0.22 million baht, or up by 0.19%.

Earnings before Income Tax and Income Tax Expense

In 2017 the company and its subsidiaries had the earning before income tax totaled 179.24 million baht, or increased from the previous year of 157.74 million baht and the company incurred a tax expense in 2017 totaled 17.66 million baht, increased from the previous year by 2.32 million, or 15.12% higher.

Net Profit

Ratio of profitability

		<u>2017</u>	<u>2016</u>	<u>2015</u>
Net profit margin	percentage	9.71	0.26	20.00
Return on equity (ROE)	percentage	2.76	0.06	5.69
Return on assets (ROA)	percentage	1.67	0.04	3.30

In 2017 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 153.45 million baht, increased from the previous year by 149.92 million baht and earning per share equaled to 4.80 baht (in 2016 earning per share equaled to 0.11 baht). The company had the net profit margin equaled to 9.71%, which higher from the previous years (2016 and 2015 had the net profit margin equaled to 0.26% and 20.00% respectively). It shows they had profitability increased continuously with the return on equity (ROE) in 2017 equaled to 2.76% and the return on assets (ROA) equaled to 1.67%, higher from the previous years as well.

3. Capability of Asset Management

The change in assets, liabilities, and shareholders' equity in 31 December 2017 compared to 31 December 2016

	31/12/2017	31/12/2016	Increased	Portion
Total Assets	9,299.84	9,029.15	270.69	3.00%
Total Liabilities	3,617.97	3,599.15	18.82	0.52 %
Total shareholders' equity	5,681.87	5,430.00	251.87	4.64%

Structure of the assets

As of 31 December 2017 the company and its subsidiaries had the consolidated assets amounted to 9,299.84 million baht, increased over the previous year by 270.69 million baht, or 3.0% higher. It has details on the increase or decrease from the previous year of each type of assets as follows:

The company and its subsidiaries had the consolidated current assets of 393.16 million baht, increased from last year by 165.01 million baht, or 72.33% higher. Since the company had cash and cash equivalents decreased from the last year by 13.49 million baht, consisted of cash at bank decreased by 13.56 million baht, cash on hand increased by 0.48 million baht and non-clearing cheques increased by 0.55 million baht.

The company and its subsidiaries had non-current assets totaled 8,906.68 million baht, increased over the previous year by 105.68 million baht, or 1.20% higher due to property, plant and equipment was increased by 136.37 million baht, the prepaid rental was increased by 5.49 million baht and investment properties was decreased by 3.77 million baht and deposit for purchase of assets was decreased by 16.68 million baht.

The structure of the assets of the company and its subsidiaries on 31 December 2017 compared with 2016 can be summarized as follows:

List of Assets	2017		2016		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets						
Cash and the equivalent	66.50	0.72	79.99	0.89	(13.49)	-16.89
Current investment	0.68	0.01	0.68	0.01	-	-
Trade and other receivables	104.17	1.12	105.00	1.16	(0.83)	-0.79
Receivable from insurance compensate	179.78	1.93	-	-	179.78	100.00
Inventory	42.03	0.45	42.48	0.47	(0.45)	-1.06
Total Current assets	393.16	4.23	228.15	2.53	165.01	72.33
Non-current assets						
Restricted deposits with financial institution	4.00	0.04	4.00	0.04	-	-
Investment Properties	63.89	0.69	67.66	0.75	(3.77)	-5.57
Land, building and equipment	8,656.10	93.08	8,519.73	94.36	136.37	1.06
Intangible asset	3.33	0.04	4.12	0.05	(0.79)	-19.17
Deferred tax assets	2.10	0.02	17.45	0.19	(15.35)	-87.97
Prepaid rent	156.78	1.69	151.29	1.68	5.49	3.63
Deposit for purchase of asset	7.32	0.08	24.00	0.27	(16.68)	-69.50
Other non-current assets	13.16	0.14	12.75	0.14	0.41	3.22
Total non-current assets	8,9306.68	95.77	8,801.00	97.47	105.68	1.20
Total assets	9,299.84	100.00	9,029.15	100.00	270.69	3.00

In the above table can be seen that the company and its subsidiaries had the same structure of the assets as before, there were current assets of about 4.23% and the non-current asset of about 95.77%. The company had the return of assets in 2017 equaled 1.67% and in 2016 equaled 0.4%.

A) Inventory

As of 31 December 2017 the company and its subsidiaries had net inventory of 42.03 million baht, decreased from the previous year by 0.45 million. It consisted of inventory of the restaurant business amounted to 9.23 million baht and the inventory of the hotel business of 32.93 million baht. The company and its subsidiaries had the current inventory ratio in 2017 equaled to 19 times and the duration of average goods sold equaled to 20 days, which was equaled to year 2016. The company and its subsidiaries had the policy on allowance for obsolete, slow-moving and defective inventories decreased at the end of 2017 for 0.135 million baht, which was equaled to the previous year.

B) Land, Building and Equipment

As of 31 December 2017 the company and its subsidiaries had the net book value of the land, buildings and equipment valued at 8,656.10 million baht, up from the previous year by 136.37 million baht, or 1.60% higher. The company and its subsidiaries had the rate of asset turning in 2017 equaled to 0.17 times, in year 2016 equaled to 0.15 times. The increase or decrease of land, buildings and equipment in 2017 and depreciation charge of the asset value can be summarized according to the table below.

Land, Building and Equipment (Unit: Million Baht)	31 Dec.2016		Increased Purchase Sale/Transfer		31 Dec.2017	
	Historical cost	Revaluation surplus	Increase	Decrease	Historical cost	Revaluation surplus
Cost/increased price						
Land and cost of land improvement	398.89	2,845.25	158.43	110.12	512.98	2,897.10
Building and its improvement	4,205.45	3,519.18	169.22	103.49	4,242.89	3,583.88
Work under construction	83.01		167.95	177.15	73.81	
Equipment, vehicle and others	1,866.34		134.97	8.67	1,992.64	
Total cost and appreciated price	6,553.69	6,364.43	630.57	399.43	6,822.32	6,480.98
	12,918.12				13,303.30	
Accrued depreciation cost						
Land improvement	1.54				1.54	
Building/improvement-Historical cost	2,074.89		76.09	5.68	2,144.51	
Building/improvement-Revaluation surplus		818.45	84.52	3.30		899.67
Equipment, vehicle and other	1,504.30		105.11	7.93	1,601.49	
Total accrued depreciation	3,579.94	818.45	265.72	16.91	3,747.54	899.67
	4,398.39				4,647.21	
Net accounting value						
Land and cost of improvement	397.35	2,845.25			511.44	2,897.10
Building and its improvement	2,131.35	2,700.73			2,098.38	2,684.21
Work under construction	83.01				73.82	
Equipment, vehicle and others	362.04				391.15	
Total net accounting value	2,973.75	5,545.98			3,074.79	5,581.31
	8,519.73				8,656.10	

The company has land, building, and equipment for 8,656.10 million baht in 2017 which is 136.37 million baht more than the previous year as follow:

- Land and cost of improvement – the historical cost is 511.44 million baht, decreased from the previous year by 114.09 million baht or 28.71% lower.
- Land and cost of improvement – the revaluation surplus is 2,897.10 million baht, increased from the previous year by 51.85 million baht or 1.82% higher.
- Building and its improvement – the historical cost is 2,098.38 million baht, decreased from the previous year by 32.97 million baht or 1.55% lower.
- Building and its improvement – the revaluation surplus is 2,684.21 million baht, decreased from the previous year by 16.52 million baht or 0.61% lower.
- Work under construction – 73.81 million baht, decreased from the previous year by 9.19 million baht or 11.07% lower.
- Equipment, vehicle and others – 391.16 million baht, increased from the previous year by 29.18 million baht or 8.04% higher.

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

Deposit for Purchase of Assets

At Board of Directors' Meeting No. 4/2016 held on November 9, 2016, the subsidiary, Zeer Property Plc., has approved to invest in property, commercial building and hotel in Chiang Mai province according to the agreement of purchase and sale, dated October 13, 2559 at a price of 140 million baht. When the project is completed, it is expected to comprise areas of approximately 4,000 square meters of shopping center and rental areas and of approximately 2,900 square meters of the hotel building. This is the joint investment in the newly established company (Spa Hotel Co., Ltd.) which is a recipient of ownership of the transferred land and buildings above.

As at December 31, 2016, the subsidiary paid a deposit for purchase of assets at Baht 24 million. On January 31, 2017, the subsidiary, Spa Hotel Co., Ltd. received a transfer of ownership of land and buildings located in Chang Moi Sub-district, Muang District, Chiang Mai province according to the agreement of purchase and sale of land and buildings, dated October 13, 2016 at a price of Baht 140 million and paid for the assets under the agreement of purchase and sale of land and buildings in net price after deducting the deposit for purchase of assets.

C) Trade debtors and other debtors

As of 31 December 2017 the company and its subsidiaries had trade debtors and other debtors amounted to 104.17 million baht, decreased from the previous year by 0.83 million baht. It consisted of trade debtors – net decreased by 8.42 million baht and other debtors increased by 7.59 million baht.

Details on trade debtors and other debtors	2017		2016		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade debtors – net						
Trade debtor – hotel business	26.28	32.71	22.53	25.38	3.75	16.64
Trade debtor- rental shopping business	<u>54.07</u>	<u>67.29</u>	<u>66.24</u>	<u>74.62</u>	<u>(12.17)</u>	-18.37
	<u>80.35</u>	<u>100.00</u>	<u>88.77</u>	<u>100.00</u>	<u>(8.42)</u>	-9.49
Other debtors						
Construction prepayment	-		0.37		(0.37)	-100.00
Advance payment and other debtor	<u>23.82</u>		<u>15.86</u>		<u>7.96</u>	50.19
	<u>23.82</u>		<u>16.23</u>		<u>7.59</u>	46.77
Total trade debtors and others	104.17		105.00		(0.83)	-0.79

In 2017 the company and its subsidiaries had the average debt collection of about 37 days. It has details on analysis of the debtors of Asia Hotel (AS) and two subsidiaries (AP & AA) that operated the hotel business and Zeer Property (ZP) that operated the shopping center as follows:

Analysis of trade debtor life On 31 December 2017	AS, AP, AA Hotels		ZP Shopping Center		Total
	Million Baht	%	Million Baht	%	Million Baht
Before the due debt	20.85	71.58	9.10	13.71	
Debt owed 1-30 days	3.95	13.56	21.22	31.98	
Debt owed 31-60 days	0.45	1.54	11.25	16.96	
Debt owed 61-90 days	0.67	2.30	3.01	4.54	
Debt owed 91-365 days	0.32	1.10	5.12	7.72	
Debt owed more than 1 year	<u>2.89</u>	<u>9.92</u>	<u>16.65</u>	<u>25.09</u>	
	29.13	100.00	66.35	100.00	95.483
Deduct – Allowance for bad debts	<u>2.85</u>		<u>16.19</u>		<u>19.04</u>
Trade debtor – net	26.28		50.16		76.44
Prepaid check	-		3.91		3.91
Total trade debtor – net	26.28		54.07		80.35

Policy on setting up doubtful debts

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

Zeer Property that operated the shopping center business and space leasing has set up the cost of doubtful debts from the trade debtors equaled to the amount expected to be bad debts. It considered from the results of debt collection in the past and the financial status of each debtor. As for the debtors that owed more than 180 days, so they would be set up for the doubtful debts in full from the balance after deducting the security deposit.

In 2017 the company and its subsidiaries set up the net doubtful debts decreased by 2.06 million baht from at the end of 2016 to 28.93 million baht. So the company had doubtful debts at the end of 2017 to 26.87 million baht, the company believed the doubtful debts set up would be suitable and sufficient.

Commitments in Liabilities

The consolidated liabilities of the company and its subsidiaries as of 31 December 2017 had 3,617.97 million baht compared with the total consolidated liabilities on 31 December 2016 valued at 3,599.15 million baht. The liabilities were increased by 18.82 million baht, as a result from the company and its subsidiaries has the commitment to repay the loan to financial institutions and the subsidiary company made long term loan agreement for renovate and decoration as at 31 December 2017 the company and subsidiaries may have liabilities as follow:

- Letters of guarantee issued by banks Letters of guarantee issued by banks total equals 26.30 million baht.
- The Company guarantees liabilities of its two subsidiaries in the amount of 1,009.50 million baht.
- The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of 2,185 million baht.
- The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of 1,785 million baht.
- The subsidiary– Zeer Property Plc. has credit line for foreign exchange of Baht 180 million from a bank which has not been withdrawn yet. Such credit lines were guaranteed by land leasehold of a related company, partial land leasehold in Zeer Rungsit of the subsidiary, land with construction on Cha-am project, a related company and the director of the subsidiary.
- The subsidiary - Zeer Property Plc., entered into a Credit Support Agreement with a local bank for providing a *Stand By Letter of Credit* (SBLC) in the amount not to exceed of USD 3.8 million to guarantee the revolving line of credit of *ZEER OVERSEA LLC.*, a subsidiary of the Company, with a foreign financial institution.
- The subsidiary– Zeer Property Plc., has obligation to pay for construction project in the future as at December 31, 2017 in the amount of 78.57 million baht.
- The subsidiary– Spa Hotel Co., Ltd. has obligation to pay for construction project of hotel and shopping complex at Chiang Mai in the future as at December 31, 2017 in the amount of 39.60 million baht.
- The subsidiary– Zeer Property Plc. has commitment to repay land rental fee under contract with Don Mung Grand Plaza Co., Ltd

4. Liquidity and Sufficiency of the Capital of the Company

Ratio of liquidity

		<u>2017</u>	<u>2016</u>	<u>2015</u>
Liquidity ratio	(time)	0.67	0.44	0.59
Ratio of quick ratio	(time)	0.29	0.36	0.49

As of 31 December 2017 the company and its subsidiaries had increased liquidity ratio and decline ratio of quick ratio from the previous year due to the cash and cash equivalents of company was decreased by 13.49 million baht and trade receivable was decreased by 0.83 million baht.

Debt Management Ratios

		<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt to equity ratio	(time)	0.64	0.66	0.66
Interest coverage ratio	(time)	5.07	4.60	5.13

In 2017 the company and its subsidiaries had total liabilities 3,617.97 million baht, 18.82 million higher from the previous year. The shareholder's equity of net worth gradually increased from 5,430.00 million baht in 2016 to 5,681.87 million baht at the end of 2017. Thus, the debt to equity ratio was 0.66 times in 2016 and debt to equity ratio in 2017 was 0.64 times.

The interest coverage ratio in 2017 was 5.07 times compared to 4.60 times in 2016. As a result, this ratio was increased due to increasing in cash flow from operating activities in 2017.

Cash Flow

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

	(Unit: Million Baht)		
	2017	2016	2015
Net cash provided by operating activities	444.73	392.21	435.59
Net cash used in investing activities	(324.16)	(200.68)	(116.58)
Net cash used in financing activities	(137.00)	(215.65)	(366.79)
Cash & the equivalent increased (decreased)	(16.43)	(24.07)	(47.78)
Difference from conversion of finance	2.94	0.05	20.56
Cash and cash equivalent at the beginning of period	79.99	104.01	131.29
Cash & the equivalent at the ending of period	66.50	80.02	104.01

In 2017 the company and its subsidiaries had net cash from operating activities by 444.73 million baht increased from the last year equaled 52.52 million baht. The company paid net cash in the investment activities amounted to 324.16 million baht, which was a purchase of fixed assets, intangible assets and deposit for purchase of assets. It also paid net cash from financing activities for 137 million baht, which is paid cash the long term loan to the financial institutions.

Sources of Investment Funds

Loans from financial institutions

On November 3, 2016, the Company entered the long-term loan agreement with the financial institution amount of Baht 120 million for improving the Facade, Front Desk, Lobby, Coffee shop and Commercial shops of Asia Hotel Ratchathewi. The Company has the commitment to repay the new loan on a quarterly basis (46 installments starting the first installment repayments in 21st month from the date of the first drawdown.) and pay the interest monthly at the rate of MLR-1.50% per annum to MLR – 0.375% per annum and the repayments must be completed within 11.50 years since the first loan drawdown date.

On February 6, 2017, the subsidiary, Zeer Property Plc., entered into the long-term loan agreement with the financial institution amount of Baht 80 million for the investment in subsidiary, Spa Hotel Co., Ltd. The first three years bear interest rate at MLR - 1.5% per annum, the fourth year onwards is at MLR - 1.0% per annum. The principal is repaid on quarterly basis (34 installments starting the first installment repayments in 21st month from the date of the first drawdown.) and its interest is paid on monthly basis. The repayments must be completed within 10 years since the first loan drawdown date.

On October 21, 2016, the subsidiary entered the long-term loan agreement with the financial institution amount of Baht 150 million for renovation of the construction, furnishings, equipment and other expenses. The first three years bear interest rate at MLR - 1.5% per annum, the fourth year onwards is at MLR - 1.0% per annum.

annum. The principal is repaid on quarterly basis (24 installments starting the first installment repayments in 15th month from the date of the first drawdown) and its interest is paid on monthly basis. The repayments must be completed within 7 years since the first loan drawdown date.

On December 19, 2017, the subsidiary, Spa Hotel Co., Ltd entered a long-term loan facility agreement with a financial institution in the amount of Baht 111 million for renovation of the construction, furnishings, equipment and other expenses in amount of Baht 100 million, and for the purchase of land with construction in the amount of Baht 11 million. The interest rate of the two facilities for the first three years are set at MLR - 1.5% per annum, the fourth - seventh years at MLR – 1.0% per annum, and for the eighth year onwards at MLR - 0.5% per annum. The principal is repaid on quarterly basis and its interest is paid on monthly basis. The repayments must be completed within 10 years from the first loan drawdown date.

5. Factors affecting the operation and financial statement in the future

1. Factors or conditions that affect the hotel’s financial status and overall operation.
 - a. External Factor
 - i. Strengths
 1. Due to stabilized and functional government, the country tourism is in steady growth.
 2. The face-paced development of technology empowers the growth in the number of Free Individual Traveler (FIT). With less booking from Tour Group Traveler, the revenue per available room (RevPAR) increases since the hotel can sell higher room rate to FIT.
 3. Government extensively supports tourism economy, issuing tax and other policies to increase people’s spending in tourism.
 4. Many major government projects will have a positive impact on tourism. For example, the Eastern Economic Corridor (EEC), the Thai Riviera Project, etc.
 - ii. Weaknesses
 1. Capacity of the airport of the main tourist cities can not accommodate the expansion for tourism in all airports in all tourist cities.
 2. High competition in the hotel industry, the tourism has increased significantly. There are number of rooms in the main city, especially Bangkok and Pattaya.
 3. The shortage of staff in the tourism industry. This has led to the hiring of employees at all levels, resulting in higher labor costs.
 - b. Internal Factor
 - i. Strengths
 1. Rapid development of rail transport in Bangkok. Located adjacent to BTS station, Asia Hotel Bangkok continued to benefit from the rail transport extension.
 2. Being a well-established brand, Asia Hotel already registered in people’s mind for a quality affordable hospitality.
 3. Most of the staffs who work in Asia Hotel are well-experienced. They have been working in the hotel for more than 10 years.
 - ii. Weaknesses
 1. The image of Asia Hotel Bangkok is a 50-year old hotel. Maintenance expenses rise as the property ages.

2. Factors or conditions that affect the shopping plaza's financial status and overall operation.

a. External Factors

1. High level of competition in retail industry. Zeer Property Public Company Limited diversified to invest The Hub wholesale destination. As the project, Zeer Rangsit Shopping Complex and The Hub will attract new type of customers as well as fulfill the unmet needs in the center.
2. Realized on uncontrollable factors such as currency exchange rate fluctuations or retail customer's purchasing power, Zeer Property Public Company Limited seeked to develop in other types of property – AA Town Apartment and office spaces to diversify the risk.

b. Internal Factors

1. Human resource development, digital marketing strategy, and IT management are carefully implemented to support business

14. Report of the Audit Committee

At present the company audit committee comprises of 4 members of independent directors. They are Mr. Suwat Dusitrojjanawongse, Chairman of the committee, Mr. SombutPupipathirunkul, Mr. Piyawudh Senapoopitaksa and Dr. Chotima Puasiri. In 2017 Audit Committee held a total of 9 meetings 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.

➤ Audit Committee followed up and monitored the performance of duties and revised information to review the self-assessment of the Company's anti-corruption policy with related documents in year 2017. The company will apply for certification as a member of the Collective Action Coalition Against Corruption "CAC" project to Thai Institute of Directors Association in the year 2018.

➤ Audit Committee looked after the company's analysis of quarterly risk report and monitored the audit report of the internal control system. Also, Audit Committee looked after the performance of internal auditors of the company and its subsidiaries. From their point of view, they did not find any error. The risk management and internal audit reports are regularly reported to the Board of Director and are ensured on compliance by the SET regulation as well as related regulations of the company's business.

➤ 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 proposes the director of the company to propose to the shareholders' meeting for considering the election of Mr. Atipong Atipongsakul or Mr. Satien Vongsanun or Mr. Wichai Rujitanont or Miss Kultida Pasurakul the certified auditor of the ANS Audit Co., Ltd. to be an auditor of the company for the year ended as at December 31, 2017.

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
13 March 2018

15. Report of the Nomination and Remuneration Committee

To Shareholders,

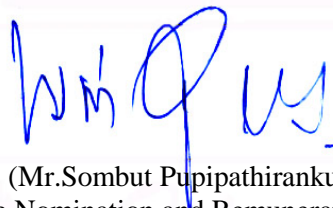
The Nomination and Remuneration Committee comprises of three independent directors who are not executives of the company as follow:

Name	Position	Participate in the 2017 Meeting
Mr. Sombut Pupipathirunkul	Chairman	1/1
Mr. Piyawudh Senapoopitaksa	Member	1/1
Mr. Suwat Dusitrojanawongse	Member	1/1

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

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

As of March 13, 2018, The Committee proposed to the Board of Directors Meeting No. 4/2561 to approve the appointment of Mr. Piyawudh Senapoopitaksa as Chairman of the Board whom with qualification as independent director, leadership and vision. In addition, three new directors are proposed to the shareholders' meeting for approval at the Annual General Meeting of Shareholders for the year 2018. This will increase the efficiency of the management, corporate governance and future business expansion. At present, the Board of Directors consists of 8 directors, comprising 4 independent directors, 1 non-executive director and 3 executive directors, if approved by the shareholders' meeting. In the future, the Company will have 11 new board members. I hope that this new committee will be able to push the company and its subsidiaries to achieve their goals.

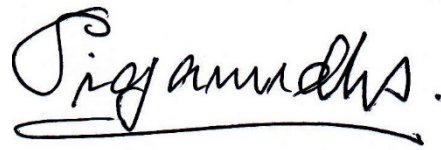


(Mr. Sombut Pupipathirunkul)
Chairman of the Nomination and Remuneration Committee
March 13, 2018

16. Statement of Directors Responsibilities

The Board of Directors of Asia Hotel Public Company Limited reviewed the company financial statements for the year ended 31 December 2017 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. Piyawudh Senapoopitaksa
Chairman



Mr. Surapong Techaruvichit
Managing Director

Independent Auditor's Report

To the Shareholders and the Board of Directors of Asia Hotel Public Company Limited and its Subsidiaries

Opinion

I have audited the consolidated and separate financial statements of Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively, as at December 31, 2017, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 14 to financial statements regarding the Company and a subsidiary, Asia Pattaya Hotel Co., Ltd. have restated and reclassified its financial statements regarding the account of property, plant and equipment and revaluation surplus of assets on the financial statements for the year ended December 31, 2016.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revaluation of lands and buildings

Risk

According to Note to Financial Statement No. 14, the Group has a policy to revalue its land and buildings by an independent appraiser. According to Thai Financial Reporting Standard No. 16, this revaluation must be done every three to five years. This year marks five years since the last revaluation for subsidiaries, Zeer Property Plc. and ZEER OVERSEA LLC. As such, the Group

revaluated the assets by an independent appraiser in the current year. Verifying the revaluation is significant to my audit because the valuation process is complex, requires significant judgment, and depends on the assumptions that have been affected by the nature of the assets and the economy.

Auditor's Response

I assessed the appropriateness of the revaluation of the land and buildings appraised by the independent appraiser by evaluating the qualifications and the competence of the appraiser, verifying the appropriateness of key assumptions used for calculations, and testing the calculations of the revaluation. I further considered the appropriateness of the amounts reflected in the financial statements and the disclosures in order to comply with Financial Reporting Standards.

Deferred tax assets

Risk

According to Note to Financial Statement No.16, the Group has deferred tax assets from tax losses carried forward in the amount of Baht 8.76 million. The Group has tax losses carried forward of Baht 115.69 million which have not yet been recognized as deferred tax assets. The utilization of deferred tax assets is based on the future results of operations and its tax planning. This requires significant judgment by Management.

Auditor's Response

I verified net realizable value of the deferred tax assets by assessing the appropriateness of the forecasted pre-tax profit used for the planned utilization of deferred tax assets by a review of the assumptions used by Management for its forecast of its pre-tax profit. I compared the forecasted revenue growth rate and the change in forecasted expenses with the current and historical data. Then, I tested the computation of the deferred tax assets.

Other Information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Atipong AtipongSakul
Certified Public Accountant
Registration Number 3500

ANS Audit Co., Ltd.

Bangkok, February 27, 2018

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	
Notes			"Restated"		"Restated"	
ASSETS						
Current assets						
	Cash and cash equivalents	5	66,499,598	79,993,469	7,669,566	7,926,336
	Current investments		682,194	682,194	-	-
	Trade and other receivables - net	6, 7	104,172,442	104,996,393	19,384,257	17,507,196
	Receivable from insurance compensation	31	179,782,895	-	-	-
	Inventories - net	8	42,029,063	42,479,822	18,850,233	18,892,630
	Total current assets		393,166,192	228,151,878	45,904,056	44,326,162
Non-current assets						
	Investments in subsidiary companies	9	-	-	1,140,593,700	1,140,593,700
	Investments with other company - net	10	-	-	-	-
	Restricted deposit with financial institution	11	4,000,000	4,000,000	-	-
	Investment properties - net	12	63,887,502	67,656,298	-	-
	Property, plant and equipment - net	13	8,656,100,307	8,519,728,607	2,052,774,481	2,100,322,249
	Intangible assets - net	15	3,325,618	4,121,205	1,690,820	1,850,329
	Deferred tax assets	16	2,101,986	17,454,880	-	-
	Prepaid rental - net	7, 17	156,782,189	151,295,331	8,314,741	9,527,155
	Deposit for purchase of assets	18	7,318,122	24,000,000	-	-
Other non-current assets						
	Deposits and guarantee		862,034	1,906,654	248,157	373,807
	Prepaid withholding income tax		9,848,841	8,508,123	9,015,372	7,667,709
	Others		2,453,482	2,330,311	-	-
	Total non-current assets		8,906,680,081	8,801,001,409	3,212,637,271	3,260,334,949
	Total assets		9,299,846,273	9,029,153,287	3,258,541,327	3,304,661,111

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	
Notes			"Restated"		"Restated"	
LIABILITIES AND SHAREHOLDER'S EQUITY						
Current liabilities						
Bank overdrafts and short-term loans						
	from financial institutions	19	241,581,024	172,130,659	58,840,234	67,431,922
	Trade payables		30,488,556	22,999,198	11,741,690	12,038,544
	Other payables	20	92,114,433	89,093,848	26,450,297	21,252,803
	Current portion of long-term loan from financial institution	21	189,663,416	193,326,253	56,000,000	56,000,000
	Current portion of liabilities under financial lease agreements	22	1,354,896	1,296,133	257,383	243,522
	Current portion of deferred income	25	7,681,949	8,278,199	-	-
Short-term loans and accrued interest expense						
	- related companies	7	-	-	253,565,255	252,124,054
	Assets payable		22,790,062	27,921,643	757,183	769,799
	Accrued income tax		190,089	-	-	-
	Total current liabilities		585,864,425	515,045,933	407,612,042	409,860,644
Non-current liabilities						
	Long-term loan from financial institutions - net	21	1,605,694,063	1,667,876,670	555,000,000	611,000,000
	Liabilities under financial lease agreements - net	22	2,840,405	4,179,017	286,952	544,334
	Deferred tax liabilities	16	1,155,321,285	1,122,599,992	309,359,662	306,890,825
	Employee benefit obligations	23	74,753,550	68,859,338	36,145,022	34,022,972
	Guarantee for rental	24	164,295,269	181,602,636	11,741,945	13,684,040
	Deferred revenue - leasehold rights on leased area	25	24,537,650	34,300,469	-	-
	Other non-current liabilities		4,669,861	4,685,167	1,244,196	1,342,600
	Total non-current liabilities		3,032,112,083	3,084,103,289	913,777,777	967,484,771
	Total liabilities		3,617,976,508	3,599,149,222	1,321,389,819	1,377,345,415

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Notes			"Restated"		"Restated"
Shareholders' equity					
Share capital					
Authorized share capital					
	Common shares Baht 10 par value 50,000,000 shares	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid-up					
	Common shares Baht 10 par value 32,000,000 shares	320,000,000	320,000,000	320,000,000	320,000,000
Capital surplus					
Premium on share - sale of parent's common share held					
	by subsidiaries	112,743,250	112,743,250	-	-
	Surplus on change of proportion interest in subsidiary	37,087,074	37,539,076	-	-
Retained earnings					
Appropriated					
	Legal reserve	41,306,006	38,494,262	41,306,006	38,494,262
	Unappropriated	580,737,473	390,086,483	274,336,129	261,608,232
Other components of equity					
		4,409,471,008	4,385,533,501	1,301,509,373	1,307,213,202
Total equity of the parent company					
		5,501,344,811	5,284,396,572	1,937,151,508	1,927,315,696
Non-controlling interests					
		180,524,954	145,607,493	-	-
Total shareholders' equity					
		5,681,869,765	5,430,004,065	1,937,151,508	1,927,315,696
Total liabilities and shareholders' equity					
		9,299,846,273	9,029,153,287	3,258,541,327	3,304,661,111

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
			"Restated"		"Restated"
REVENUES	7, 29, 32				
Income from hotel business		710,150,955	661,366,704	384,970,192	355,356,090
Rental and services income		610,256,108	620,328,881	-	-
Total revenues		1,320,407,063	1,281,695,585	384,970,192	355,356,090
COST OF SALES AND SERVICES					
Cost of hotel business					
Cost of hotel business		(431,829,144)	(443,169,749)	(233,853,606)	(240,406,012)
Depreciation - Revaluation surplus of assets	13	(21,459,511)	(23,165,612)	(7,129,786)	(7,696,971)
Cost of rental and services					
Cost of rental and services		(407,122,849)	(392,716,878)	-	-
Depreciation - Revaluation surplus of assets	13	(63,063,215)	(63,125,432)	-	-
Total cost of sales and services		(923,474,719)	(922,177,671)	(240,983,392)	(248,102,983)
GROSS PROFIT		396,932,344	359,517,914	143,986,800	107,253,107
Dividend income	9	-	-	36,280,074	53,353,050
Other income	31	260,377,048	82,735,439	56,607,928	58,332,887
Profit before expenses		657,309,392	442,253,353	236,874,802	218,939,044
Selling expenses		(64,522,463)	(67,849,586)	(25,125,606)	(23,259,673)
Administrative expenses		(232,800,440)	(218,020,415)	(93,804,895)	(92,968,588)
Loss from fixed assets revaluation	13	(50,754,430)	-	-	-
Management benefit expenses	34	(14,875,360)	(15,688,860)	(6,968,160)	(6,900,360)
Directors' remuneration	33	(3,428,158)	(3,300,408)	(1,915,158)	(1,858,408)
Reversal of provision for doubtful debt (Doubtful debt)		1,877,088	(2,555,362)	(142,572)	(64,687)
Financial cost		(113,563,840)	(113,338,280)	(50,214,687)	(50,575,599)
Profit before income tax		179,241,789	21,500,442	58,703,724	43,311,729
Income tax (expense) revenue	16	(17,662,224)	(15,342,074)	(2,468,837)	2,141,666
Net profit for the year		161,579,565	6,158,368	56,234,887	45,453,395

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

		Unit: Baht				
		Consolidated financial statements		Separate financial statements		
		2017	2016	2017	2016	
Notes			"Restated"		"Restated"	
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss</i>						
	Actuarial gain (loss)	23	-	(1,160,482)	-	1,733,301
	Changes in revaluation surplus	14	174,406,449	22,782,507	-	22,782,507
	Income tax on other comprehensive income relating to items that will not be reclassified	14	(39,763,918)	(4,324,405)	-	(4,903,162)
<i>Items that may be reclassified subsequently to profit or loss</i>						
	Difference on exchange rate from currency translation		(18,316,255)	(1,935,833)	-	-
	Other comprehensive income (loss) for the year		116,326,276	15,361,787	-	19,612,646
	Total comprehensive income for the year		277,905,841	21,520,155	56,234,887	65,066,041
Attributable to:						
	Equity holders of the parent		153,448,915	3,525,177	56,234,887	45,453,395
	Non-controlling interests		8,130,650	2,633,191	-	-
			161,579,565	6,158,368	56,234,887	45,453,395
Total comprehensive income attributable to:						
	Equity holders of the parent		263,799,315	19,129,779	56,234,887	65,066,041
	Non-controlling interests	9	14,106,526	2,390,376	-	-
			277,905,841	21,520,155	56,234,887	65,066,041
BASIC EARNINGS PER SHARE						
	Basic earnings per share (Baht)		4.80	0.11	1.76	1.42
	Number of weighted average share (Shares)		32,000,000	32,000,000	32,000,000	32,000,000

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit: Baht

Consolidated financial statements												
Equity attributable to equity holders of the Company												
Notes	Retained earnings					Other components of equity				Total parent shareholders' equity	Non-controlling interest	Total
	Paid-up share capital	Premium on share - sale of parent's common share	Surplus on change in shareholding proportion	Legal reserve	Unappropriated	Other comprehensive income			Total other component of equity			
						Revaluation surplus of assets	Actuarial loss	Currency translation				
Balance as at January 1, 2016	320,000,000	112,743,250	37,539,076	36,221,592	387,105,632	4,400,928,721	-	34,720,322	4,435,649,043	5,329,258,593	146,054,037	5,475,312,630
Changes in equity for the year :												
Non-controlling interest increased												
from investments in subsidiary	-	-	-	-	-	-	-	-	-	-	60,030	60,030
Dividends	9, 27	-	-	-	(63,991,800)	-	-	-	-	(63,991,800)	(2,896,950)	(66,888,750)
Legal reserve	26	-	-	2,272,670	(2,272,670)	-	-	-	-	-	-	-
Transferred to retained earnings	14	-	-	-	65,720,144	(66,506,977)	786,833	-	(65,720,144)	-	-	-
Difference on exchange rate from currency translation		-	-	-	-	(294,084)	-	(1,540,489)	(1,834,573)	(1,834,573)	(101,260)	(1,935,833)
Comprehensive income (loss) for the year		-	-	-	3,525,177	121,461,031	(786,833)	-	120,674,198	124,199,375	2,491,636	126,691,011
Balance as at December 31, 2016												
- as previously reported		320,000,000	112,743,250	37,539,076	38,494,262	390,086,483	4,455,588,691	-	33,179,833	4,488,768,524	145,607,493	5,533,239,088
Prior year adjustments	14	-	-	-	-	(103,235,023)	-	-	(103,235,023)	(103,235,023)	-	(103,235,023)
Balance as at December 31, 2016												
- as restated		320,000,000	112,743,250	37,539,076	38,494,262	390,086,483	4,352,353,668	-	33,179,833	4,385,533,501	145,607,493	5,430,004,065
Non-controlling interest increased												
from investments in subsidiary	2	-	-	-	-	-	-	-	-	-	22,340,100	22,340,100
Redeemed of investment in a subsidiary	2	-	-	(452,002)	-	-	-	-	-	(452,002)	452,002	-
Dividends	9, 27	-	-	-	(46,399,075)	-	-	-	-	(46,399,075)	(1,981,167)	(48,380,242)
Legal reserve	26	-	-	2,811,744	(2,811,744)	-	-	-	-	-	-	-
Transferred to retained earnings	14	-	-	-	64,550,638	(64,550,638)	-	-	(64,550,638)	-	-	-
Adjustment of revaluation surplus of assets	14	-	-	-	21,862,256	(21,862,256)	-	-	(21,862,256)	-	-	-
Difference on exchange rate from currency translation		-	-	-	-	(3,091,552)	-	(14,245,351)	(17,336,903)	(17,336,903)	(979,352)	(18,316,255)
Comprehensive income for the year		-	-	-	153,448,915	127,687,304	-	-	127,687,304	281,136,219	15,085,878	296,222,097
Balance as at December 31, 2017		320,000,000	112,743,250	37,087,074	41,306,006	580,737,473	4,390,536,526	-	18,934,482	4,409,471,008	180,524,954	5,681,869,765

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

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ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGE IN SHAREHOLDERS EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit: Baht

Separate financial statements

Notes	Retained earnings			Other component of equity			Total
	Paid-up share capital	Legal reserve	Unappropriated	Other comprehensive income		Total other component of equity	
				Revaluation surplus of assets	Actuarial gain		
Balance as at January 1, 2016	320,000,000	36,221,592	274,875,089	1,295,144,773	-	1,295,144,773	1,926,241,454
Changes in equity for the year :							
Dividends	27	-	(63,991,800)	-	-	-	(63,991,800)
Legal reserve	26	-	2,272,670	(2,272,670)	-	-	-
Transferred to retained earnings	14	-	-	7,544,218	(6,157,577)	(1,386,641)	(7,544,218)
Comprehensive income for the year		-	-	45,453,395	121,461,029	1,386,641	122,847,670
Balance as at December 31, 2016							
- as restated		320,000,000	38,494,262	261,608,232	1,410,448,225	-	1,410,448,225
Prior year adjustments	14	-	-	-	(103,235,023)	-	(103,235,023)
Balance as at December 31, 2016							
- as restated		320,000,000	38,494,262	261,608,232	1,307,213,202	-	1,307,213,202
Dividends	27	-	-	(46,399,075)	-	-	(46,399,075)
Legal reserve	26	-	-	2,811,744	(2,811,744)	-	-
Transferred to retained earnings	14	-	-	-	5,703,829	(5,703,829)	-
Comprehensive income for the year		-	-	56,234,887	-	-	56,234,887
Balance as at December 31, 2017		320,000,000	41,306,006	274,336,129	1,301,509,373	-	1,301,509,373

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities :				
Net profit before corporate income tax	179,241,789	21,500,442	58,703,724	43,311,729
Adjustment to reconcile net profit to cash provided by (used in) operating activities				
Employee benefit provision	10,134,612	8,730,859	4,091,750	4,044,092
Depreciation	269,664,472	263,034,900	50,522,971	51,253,965
Amortized prepaid rental	23,548,090	23,548,090	1,212,413	1,212,413
Amortized computer software	1,341,387	784,738	642,509	216,771
Allowance for doubtful debt (Reversal)	(1,877,088)	2,555,362	142,572	-
Bad debt	-	101,322	-	64,687
Gain on compensation from insurance claim	(179,782,895)	-	-	-
Reversal of provision for devaluation of inventory	-	(1,733)	-	(1,733)
Loss from fixed assets revaluation	50,754,430	-	-	-
(Gain) loss on sale of fixed assets	321,910	977,443	(17,868)	(50,754)
Loss from written off fixed assets	4,802,559	3,456,845	-	265
Corporate income tax deducted at source written off	290,194	454,389	-	-
Income on leasehold rights	(6,632,507)	(7,228,757)	-	-
Compensation for cancellation of leasehold rights on leased area	2,273,438	-	-	-
Dividend income	-	-	(36,280,074)	(53,353,050)
Financial cost - interest expense	113,563,840	113,338,280	50,214,687	50,575,599
Profit from operations before changes in operating assets and liabilities	467,644,231	431,252,180	129,232,684	97,273,984
Operating assets (increase) decrease				
Trade and other receivables	7,015,220	(5,274,307)	(2,019,633)	(1,705,319)
Inventories	450,759	(34,719)	42,397	100,917
Other non-current assets	921,449	(603,343)	125,650	339,771

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Operating liabilities increase (decrease)				
Trade payables	7,489,358	(9,878,440)	(296,854)	(1,798,270)
Other payables	2,747,278	(7,474,115)	5,082,502	(1,532,488)
Guarantee for rental	(17,307,367)	973,348	(1,942,095)	2,312,883
Other non-current liabilities	(15,306)	120,484	(98,404)	(168,200)
Cash received from operating activities	468,945,622	409,081,088	130,126,247	94,823,278
Cash paid for employee benefit	(4,240,400)	(2,099,100)	(1,969,700)	(1,031,000)
Cash paid for cancellation of leasehold rights on leased area	(6,000,000)	-	-	-
Corporate income tax refund	2,758,239	1,266,257	-	1,266,257
Corporate income tax paid	(16,728,455)	(16,035,567)	(1,347,663)	(1,359,620)
Net cash provided by operating activities	444,735,006	392,212,678	126,808,884	93,698,915
Cash flow from investing activities :				
Dividend income from investment	-	-	36,280,074	53,353,050
Cash received from sale of fixed assets	579,936	804,677	44,080	164,821
Cash paid deposit for purchase of assets	(7,318,122)	(24,000,000)	-	-
Cash paid for purchase of fixed assets and intangible assets	(267,266,255)	(131,494,215)	(3,484,414)	(12,037,752)
Cash paid for prepaid rental	(29,034,947)	(29,034,947)	-	-
Assets payable decrease	(21,123,978)	(16,953,572)	(12,616)	(112,850)
Net cash provided by (used in) investing activities	(324,163,366)	(200,678,057)	32,827,124	41,367,269

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flow from financing activities :				
Bank overdrafts and short term loans from financial institution increase (decrease)	69,450,365	146,140,044	(8,591,688)	59,782,595
Cash paid for short-term loans and accrued interest expense - related party	-	-	(56,400,000)	(35,654,513)
Cash received for short-term loans and accrued interest expense - related parties	-	-	50,500,000	26,000,000
Cash paid for financial cost	(113,301,774)	(113,568,190)	(42,758,494)	(43,386,332)
Cash paid for dividend	(48,369,001)	(66,888,750)	(46,399,075)	(63,991,800)
Non-controlling interests increase	22,340,100	60,030	-	-
Cash paid for long-term loans	(219,151,060)	(268,802,067)	(56,000,000)	(80,500,000)
Cash received from long-term loans	153,305,615	88,315,830	-	-
Cash paid for liabilities under financial lease agreement	(1,279,849)	(853,173)	(243,521)	(230,467)
Net cash used in financing activities	(137,005,604)	(215,596,276)	(159,892,778)	(137,980,517)
Cash and cash equivalents decrease - net	(16,433,964)	(24,061,655)	(256,770)	(2,914,333)
Difference from currency translation	2,940,093	48,027	-	-
Cash and cash equivalents at the beginning of year	79,993,469	104,007,097	7,926,336	10,840,669
Cash and cash equivalents at the ending of year	66,499,598	79,993,469	7,669,566	7,926,336

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

1.1. The Company and its six subsidiaries,

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

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543.

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

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

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

Basis of consolidation

- a) The consolidated financial statements include the financial statements of Asia Hotel Public Company Limited and the following subsidiary companies (together referred to as the "Group").

Company's name	Nature of business	Incorporation	of shareholding	
			2017 Percent	2016 Percent
Subsidiaries directly held by the Company				
Asia Pattaya Hotel Co., Ltd.	Hotel and restaurant	Thailand	99.42	99.42
Asia Airport Hotel Co., Ltd.	Hotel and restaurant	Thailand	100.00	100.00
Zeer Property Plc.	Rental shopping complex business and utility services	Thailand	94.85	94.85
Subsidiaries held by Zeer Property Plc.				
Zeer Asset Co., Ltd.	Management property	Thailand	96.99	96.99
ZEER OVERSEA LLC.	Rental shopping complex	USA	99.77	99.90
Spa Hotel Co., Ltd.	Rental shopping complex	Thailand	84.00	57.05

On February 23, 2017, the subsidiary, Spa Hotel Co., Ltd. increased capital to Baht 140 million, divided into 14 million shares of Baht 10 per share. A subsidiary, Zeer Property Plc., holds the interest at 71.43% of the registered capital of this newly established company. On March 1, 2017, the subsidiary, Zeer Property Plc., holds the interest at 84% of the registered capital and already paid share capital at full amount.

On August 4, 2017, the subsidiary, ZEER OVERSEA LLC was redeemed its share capital to a subsidiary, Zeer Property Plc. of Baht 99.80 million (USD 3.16 million). As a result, the proportion in shareholding of the subsidiary was decreased from 99.90 % to 99.77 % and there is changing proportion of the investment of Baht 0.45 million which presented as net from the surplus on change of proportion interest in subsidiary in the shareholder's equity in "statements of change in shareholders' equity" and will recognize as profit upon disposal of investment.

- b) Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Assets and liabilities denominated in foreign currencies in the financial statements of the subsidiary in US Dollar are translated into Thai Baht at exchange rates at the end of reporting period. Revenue and expenses are translated into Thai Baht at exchange rates using monthly average exchange rates. The difference from currency translation is presented in "Difference on exchange rate from currency translation" in the Statements of Changes in Shareholders' Equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements present investments in subsidiaries under the cost method.

New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial

reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses recognition

Incomes from room service and other related services are recognized when services have been rendered. Incomes from food and beverage sales are recognized when food and beverage sales have been serviced. Building rental income and area rental income are recognized over the lease period according to the rate specified in the agreement except for income from Long-Term contract which is recognized by the straight line method over the lease period.

Service income is recognized when service has been rendered.

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

Dividend income is recognized in full amount when the dividend is declared.

Other incomes and expenses are recognized on an accrual basis.

Cash and cash equivalents

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

Accounts receivable and other receivable

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

Inventory

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

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

Investments

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

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

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

Cost of investment is calculated by weighted average method.

Investment properties

Investment properties of the Group comprise of property, plant and equipment (Apartment project) that are leased to other parties for rental income.

Investment properties are initially recognized at cost, including expenses directly associated with the asset acquisition, less accumulated depreciation and allowance for impairment (If any).

The Group has selected the cost model for accounting for its investment properties. This model is in accordance with that described in the accounting policy for property, plant and equipment.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Building and building improvement	33 years
Furniture and fixtures	5 years
Tool and office equipment	5 years

Property, plant and equipment

Land is stated at the new revaluation.

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

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

Buildings and Building improvements	10 - 89 years
Public utility system	5 - 54 years
Machinery and equipment	5 - 20 years
Furniture and fixtures	5 - 20 years
Furniture and ornaments	5 - 10 years
Equipment for hotel and restaurants	5 - 20 years
Tools and office equipment	3 - 20 years
Vehicles	5 - 10 years

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

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

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

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

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's and subsidiaries' assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on assets" in respect of the same assets.

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

Amortization

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

Borrowing cost

Borrowing costs are recognized as expense in the period when incurred except the borrowing cost that are directly attributable to the acquisition, construction or production of asset as part of the cost of the asset.

The capitalization of borrowing costs are ceased when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. The Company shall suspend capitalization of borrowing cost during extended periods in which it suspends active development of asset.

Intangible assets

Computer software is considered as intangible assets and stated at cost less accumulated amortization and impairment (if any). Intangible assets are amortized by the straight-line method over 3 - 10 years.

Long-term lease - Financial lease contract

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

Financial instruments

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

Transactions in foreign currencies

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

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

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

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

Employee benefits

Short-term benefits

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

Post-employment benefits – defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law are recognized as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the

present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Group recognizes actuarial gains or losses in the other comprehensive income and loss in the period in which they arise.

Income tax

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

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

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

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

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

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

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

Basic earnings per share

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

Segment information

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

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

Impairment of receivables

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

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

Allowance for obsolete, slow-moving and defective inventories

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

Impairment of investment

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

Impairment of assets

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

Building, equipment and computer software

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

Leases

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

Provisions

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Cash on hand	5,134	5,609	2,805	3,001
Non-clearing cheques	2,246	1,695	1,239	1,025
Cash at banks				
Current account	8,851	12,210	3,406	3,655
Saving account	50,260	60,470	220	245
Fixed deposit with maturity of less than 3 mounths	9	9	-	-
Total	66,500	79,993	7,670	7,926

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at December 31, 2017 and 2016 are as follows:

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Trade receivable				
The Company and its two subsidiaries, involved in the hotel business :				
Current accounts	20,858	14,114	13,694	10,867
Overdue 1 - 30 days	3,954	5,975	2,703	2,789
Overdue 31 - 60 days	452	757	610	447
Overdue 61 - 90 days	669	716	669	375
Overdue 91 - 365 days	320	3,106	187	452
Overdue more than 1 year	2,885	655	478	398
	29,138	25,323	18,341	15,328
<u>Less</u> Provision for doubtful debt	(2,854)	(2,790)	(478)	(335)
Total	26,284	22,533	17,863	14,993

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Subsidiary company - Zeer Property Plc. involved in rental shopping complex business :				
Current accounts	9,098	6,799	-	-
Overdue 1 - 30 days	21,215	27,256	-	-
Overdue 31 - 60 days	11,253	9,605	-	-
Overdue 61 - 90 days	3,010	3,436	-	-
Overdue 91 - 365 days	5,120	6,635	-	-
Overdue more than 1 year	16,648	20,467	-	-
	66,344	74,198	-	-
<u>Less</u> Provision for doubtful debt	(16,186)	(18,305)	-	-
	50,158	55,893	-	-
Total	76,442	78,426	17,863	14,993
Post dated cheques	3,915	10,344	-	-
Trade receivable - net	80,357	88,770	17,863	14,993

Other receivable

Other receivable	8,180	7,846	-	-
Advance for construction	-	372	-	-
Prepaid expenses	5,025	5,739	1,214	1,873
Withholding tax	9,082	2,010	-	-
Others	9,358	8,089	307	641
Total other receivable	31,645	24,056	1,521	2,514
<u>Less</u> Provision for doubtful debt	(7,830)	(7,830)	-	-
Trade other receivable - net	23,815	16,226	1,521	2,514
Total trade and other receivable - net	104,172	104,996	19,384	17,507
Change in provision for doubtful debt				
Beginning balance	28,925	26,501	335	335
Increase (Decrease) during the year	(2,055)	2,424	143	-
Ending balance	26,870	28,925	478	335

7. RELATED PARTIES TRANSACTIONS

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

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

<u>Name of entities</u>	<u>Country of Incorporation/ nationality</u>	<u>Relationship</u>	<u>Related by</u>
Asia Pattaya Hotel Co., Ltd.	Thailand	Subsidiary	Direct shareholder
Asia Airport Hotel Co., Ltd.	Thailand	Subsidiary	Direct shareholder
Zeer Property Plc.	Thailand	Subsidiary	Direct shareholder
Zeer Asset Co., Ltd.	Thailand	Subsidiary	Indirect shareholder
ZEER OVERSEA LLC.	USA	Subsidiary	Indirect shareholder
Spa Hotel Co.,Ltd	Thailand	Subsidiary	Indirect shareholder
A.B.K. Enterprise Co., Ltd.	Thailand	Related company	Common major shareholder and director
Don Mueng Grand Plaza Co., Ltd.	Thailand	Related company	Common shareholder and director
Nam Seng Insurance Plc.	Thailand	Related company	Common director

Balances with related parties as at December 31, 2017 and 2016 are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Trade receivables				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	573	38
Asia Airport Hotel Co., Ltd.	-	-	68	321
Zeer Property Plc.	-	-	15	-
Other receivable				
Subsidiary				
Asia Airport Hotel Co., Ltd.	-	-	-	267
Prepaid insurance expense				
Related company				
Nam Seng Insurance Plc.	3,412	4,614	440	994

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements		Policy to charge the Inter-company borrowing cost (%)	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Short-term loans and accrued interest expenses from related parties					
Subsidiaries						
Asia Pattaya Hotel Co.,Ltd.						
- Loans	-	-	57,500	58,400	7.25	7.25
- Accrued interest expenses	-	-	137,076	132,774		
Total	-	-	194,576	191,174		
Asia Airport Hotel Co.,Ltd.						
- Loans	-	-	30,021	35,021	7.25	7.25
- Accrued interest expenses	-	-	28,968	25,928		
Total	-	-	58,989	60,949		
Total short-term loans and accrued interest expenses from related parties						
	-	-	253,565	252,123		

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

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

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Short-term loans				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	58,400	73,055
Increase during the year	-	-	42,500	21,000
Repayment during the year	-	-	(43,400)	(35,655)
Ending balance	-	-	57,500	58,400
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	35,021	30,021
Increase during the year	-	-	8,000	5,000
Repayment during the year	-	-	(13,000)	-
Ending balance	-	-	30,021	35,021
Accrued interest expenses				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	132,774	127,811
Increase during the year	-	-	4,302	4,963
Ending balance	-	-	137,076	132,774
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	25,928	23,681
Increase during the year	-	-	3,040	2,247
Ending balance	-	-	28,968	25,928
Rental prepayment				
Related company				
Don Mung Grand Plaza Co., Ltd.				
Rental prepayment	148,467	141,768	-	-
Total	148,467	141,768	-	-

Sales and purchases of goods and services

Transactions between the Company and related parties for the years ended December 31, 2017 and 2016 are summarized below:

	Unit: Thousands Baht				Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2017	2016	2017	2016	
Rental income					
Subsidiary					
Asia Pattaya Hotel Co., Ltd.	-	-	1,200	1,200	As specified in agreement
Other income					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	2,710	3,158	At the agreed price
Asia Pattaya Hotel Co., Ltd.	-	-	372	388	At the agreed price
Zeer Property Plc.	-	-	190	84	At the agreed price
Land rental					
Related company					
Don Mung Grand Plaza Co., Ltd.	22,336	22,336	-	-	As specified in agreement
Interest expenses					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	3,039	2,247	7.25% per annum
Asia Pattaya Hotel Co., Ltd.	-	-	4,301	4,963	7.25% per annum
Insurance premiums expenses					
Related company					
Nam Seng Insurance Plc.	7,919	8,538	1,421	1,577	As specified in agreement

8. INVENTORIES - NET

Inventories - net as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Restaurant				
- Food	3,492	3,487	1,914	1,619
- Beverage	1,441	1,511	840	825
- Supplies	4,301	4,175	59	76
Hotel				
- Supplies	8,662	8,415	2,135	2,182
- Operating equipment	12,161	13,003	1,930	2,302
- Reserve of operating equipment	12,107	12,024	12,107	12,024
Total	42,164	42,615	18,985	19,028
<u>Less Allowance for impairment of inventories</u>	<u>(135)</u>	<u>(135)</u>	<u>(135)</u>	<u>(135)</u>
Inventories - net	42,029	42,480	18,850	18,893

9. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2017 and 2016, and dividend income for years ended December 31, 2017 and 2016 are as follows:

Unit: Thousands Baht

Type of business	Paid-up capital		% of shared holding		Cost method		Dividend income		
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	
	2017	2016	2017	2016	2017	2016	2017	2016	
Asia Pattaya Hotel Co.,Ltd.	Hotel	120,000	120,000	99.42	99.42	119,300	119,300	-	-
Asia Airport Hotel Co.,Ltd.	Hotel	495,000	495,000	100.00	100.00	592,499	592,499	-	-
Zeer Property Plc.	Shopping Complex for rent	225,000	225,000	94.85	94.85	428,794	428,794	36,280	53,353
Total						1,140,593	1,140,593	36,280	53,353

At the Board of Directors' meeting No. 4/2017 held on November 10, 2017 of the subsidiary, Zeer Property Plc., passed a resolution to pay an interim dividend from operating result for the six-month period (January – June 2017) at the rate Baht 0.08 per share for 225 million shares, totaling Baht 18 million. The dividend was paid on December 4, 2017.

At Ordinary Shareholders' Meeting No. 1/2017 held on April 26, 2017 of the subsidiary, Zeer Property Plc., passed a resolution to pay dividend to shareholders from the operating results of 2016 at the rate of Baht 0.09 per share for 225 million shares, totaling Baht 20.25 million. The dividend was paid on May 22, 2017.

On November 15, 2016, the subsidiary, Zeer Property Plc., acquired ordinary shares of Spa Hotel Co., Ltd. of 7,997 shares (par value of Baht 10 per share) representing the 57.05% interest of such company's registered and called up capital at Baht 10 per share totaling of Baht 79,970. (Note 2)

At Ordinary Shareholders' Meeting No. 1/2016 held on April 26, 2016 of the subsidiary, Zeer Property Plc., passed a resolution to pay dividend to shareholders from the operating results of 2015 at the rate of Baht 0.35 per share for 225 million shares, totaling Baht 78.75 million. The subsidiary paid an interim dividend at the rate Baht 0.10 per share in 2015, totaling Baht 22.50 million. The remaining dividend was paid on May 16, 2016 at the rate Baht 0.25 per share, totaling Baht 56.25 million.

The following subsidiaries have material Non-controlling interests.

			Unit: Thousands Baht	
			December 31, 2017	
			Comprehensive income	
Name of subsidiary	Type of business	Ownership interests held by NCI (percentage)	attributable to	Accumulated
			Non-controlling interest	Non-controlling interest
Asia Pattaya Hotel Co., Ltd.	Hotel	0.58	(34)	8,081
Zeer Property Plc.	Shopping Complex for rent	5.15	14,141	172,444
Total			14,107	180,525

The following is summarized financial information of subsidiaries before inter-company elimination.

	Unit: Thousands Baht		
	Asia Pattaya Hotel Co., Ltd.	Zeer Property Plc.	Total
As at December 31, 2017			
Current assets	207,191	327,071	534,262
Non-current assets	1,626,754	4,580,059	6,206,813
Current liabilities	(64,875)	(323,495)	(388,370)
Non-current liabilities	(375,721)	(1,715,991)	(2,091,712)
Net assets	1,393,349	2,867,644	4,260,993
Net assets attributable to			
Non-controlling interests	8,081	172,444	180,525
For the year ended December 31, 2017			
Revenues	113,290	672,647	785,937
Net profit (loss) for the year Attributable to			
Non-controlling interests	(34)	8,165	8,131
Total other comprehensive loss			
attributable to non-controlling interests	-	5,976	5,976
Total comprehensive income (loss) for the year			
attributable to non-controlling interests	(34)	14,141	14,107
Dividends paid to			
Non-controlling interests	-	1,981	1,981
Net cash provided by (used in)			
Operating activities	(623)	281,301	280,678
Investing activities	(1,618)	(296,100)	(297,718)
Financing activities	2,534	133	2,667
Cash and cash equivalents			
Increase(decrease) - net	293	(14,666)	(14,373)

10. INVESTMENTS IN OTHER COMPANY - NET

Unit: Thousands Baht

Types of Business	Paid-up shared capital		% of shareholding		Cost method		Dividend income	
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016	2017	2016	2017	2016
Jet Cat Tour Co.,Ltd.	80,000	80,000	19.00	19.00	15,200	15,200	-	-
<u>Less</u> Provision for declining in value of investment					(15,200)	(15,200)		
Investment in other company - net					-	-		

11. RESTRICTED DEPOSITS WITH BANKS

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

12. INVESTMENT PROPERTIES - NET

Investment properties - net as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements			
	Building and building improvement and public utility system	Furniture and fixtures	Tool and office equipment	Total
Cost				
As at January 1, 2017	65,575	8,892	948	75,415
Purchase	-	5	3	8
As at December 31, 2017	65,575	8,897	951	75,423
Less Accumulated depreciation				
As at January 1, 2017	(3,899)	(3,478)	(382)	(7,759)
Depreciation for the year	(1,868)	(1,723)	(185)	(3,776)
As at December 31, 2017	(5,767)	(5,201)	(567)	(11,535)
Net book value				
As at December 31, 2016	61,676	5,414	566	67,656
As at December 31, 2017	59,808	3,696	384	63,888

The fair values of the investment properties (Apartment Project for rent) as at December 31, 2017 were appraised by independent appraiser according to the appraisal report date February 23, 2018 and the fair values of investment properties (Apartment Project for rent) as at December 31, 2016 have been determined based on valuations performed by the management of the subsidiary. The fair values have been determined based on income approach. The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rates.

	Unit: Thousands Baht	
	Consolidated financial statements	
	Fair value	
	December 31, 2017	December 31, 2016
Apartment Project	64,000	85,400

13. PROPERTY, PLANT AND EQUIPMENT - NET

For the year ended December 31, 2017, the Company and subsidiaries have following movements in the property, plant and equipment – net:

	Consolidated financial statements														Unit: Thousands Baht
	Land		Building and building improvement					Leasehold improvement	Machinery and equipment	Furniture and fixtures	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus	Land improvement	and public utility system		Outside project									
				Historical cost	Revaluation surplus										
Cost															
As at January 1, 2017 - as previously reported	397,350	2,962,061	1,545	4,126,086	3,555,591	55,184	3,657	270,623	1,191,202	97,005	163,449	61,206	79,199	83,010	13,047,168
Restated and Reclassification (Note 14)	-	(92,630)	-	-	(36,414)	-	-	-	-	-	-	-	-	-	(129,044)
Reclassification	-	(24,180)	-	24,180	-	-	-	-	-	-	-	-	-	-	-
As at January 1, 2017 - as restated	397,350	2,845,251	1,545	4,150,266	3,519,177	55,184	3,657	270,623	1,191,202	97,005	163,449	61,206	79,199	83,010	12,918,124
Purchase	127,168	-	-	-	-	-	-	1,269	2,120	472	2,957	4,630	150	167,955	306,721
Revaluation	-	56,265	-	-	114,840	-	-	-	-	-	-	-	-	-	171,105
Allowance from fixed assets devaluation (Note 14)	-	-	-	-	(50,754)	-	-	-	-	-	-	-	-	-	(50,754)
Disposals	-	-	-	(189)	-	(248)	-	(1,611)	(1,882)	(257)	(560)	(532)	(1,439)	-	(6,718)
Written off	-	-	-	(9,158)	-	-	-	-	(2,194)	-	-	(190)	-	(15)	(11,557)
Transfer in (Transfer out)	-	-	-	42,978	-	10,783	-	3,534	116,266	2,569	1,000	-	-	(177,130)	-
Financial statement translation	(13,078)	(4,417)	-	(6,728)	613	-	-	-	-	-	-	-	-	-	(23,610)
As at December 31, 2017	511,440	2,897,099	1,545	4,177,169	3,583,876	65,719	3,657	273,815	1,305,512	99,789	166,846	65,114	77,910	73,820	13,303,311
Less Accumulated depreciation															
As at January 1, 2017	-	-	1,544	2,040,013	818,449	34,086	2,522	229,991	926,882	87,496	152,616	45,155	59,642	-	4,398,396
Depreciation for the year															
Cost	-	-	-	70,523	-	5,563	1,149	10,301	76,018	3,037	4,361	5,808	4,434	-	181,194
Revaluated	-	-	-	-	84,523	-	-	-	-	-	-	-	-	-	84,523
Allowance from fixed assets devaluation (Note 14)	-	-	-	-	(3,300)	-	-	-	-	-	-	-	-	-	(3,300)
Disposals	-	-	-	(127)	-	(141)	-	(1,604)	(1,184)	(253)	(541)	(526)	(1,439)	-	(5,815)
Written off	-	-	-	(4,361)	-	-	-	-	(2,194)	-	-	(184)	-	-	(6,739)
Financial statement translation	-	-	-	(1,048)	-	-	-	-	-	-	-	-	-	-	(1,048)
As at December 31, 2017	-	-	1,544	2,105,000	899,672	39,508	3,671	238,688	999,522	90,280	156,436	50,253	62,637	-	4,647,211
Net book value															
As at December 31, 2017	511,440	2,897,099	1	2,072,169	2,684,204	26,211	(14)	35,127	305,990	9,509	10,410	14,861	15,273	73,820	8,656,100
As at December 31, 2016	397,350	2,845,251	1	2,110,253	2,700,728	21,098	1,135	40,632	264,320	9,509	10,833	16,051	19,557	83,010	8,519,728

Separated financial statements

Unit: Thousands Baht

	Land		Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus	Historical cost	Revaluation surplus									
Cost													
As at January 1, 2017													
- as previously reported	159,120	1,459,175	501,299	385,682	103,890	151,052	448,279	86,063	91,299	14,886	8,377	2,310	3,411,432
Restated (Note 14)	-	(110,350)	-	(18,694)	-	-	-	-	-	-	-	-	(129,044)
As at January 1, 2017	159,120	1,348,825	501,299	366,988	103,890	151,052	448,279	86,063	91,299	14,886	8,377	2,310	3,282,388
- as restated	159,120	1,348,825	501,299	366,988	103,890	151,052	448,279	86,063	91,299	14,886	8,377	2,310	3,282,388
Purchase	-	-	-	-	-	726	37	387	395	989	-	467	3,001
Disposals	-	-	-	-	-	(1,066)	(118)	(207)	(455)	(15)	-	-	(1,861)
Written off	-	-	-	-	-	-	(42)	-	-	-	-	-	(42)
Transfer in (Transfer out)	-	-	-	-	-	2,370	186	-	-	-	-	(2,556)	-
As at December 31, 2017	159,120	1,348,825	501,299	366,988	103,890	153,082	448,342	86,243	91,239	15,860	8,377	221	3,283,486
Less Accumulated depreciation													
As at January 1, 2017	-	-	389,619	81,796	43,750	124,556	356,715	77,222	89,159	12,485	6,764	-	1,182,066
Depreciation for the year													
Cost	-	-	4,738	-	6,656	5,606	21,898	2,600	684	958	252	-	43,392
Revaluated	-	-	-	7,129	-	-	-	-	-	-	-	-	7,129
Disposals	-	-	-	-	-	(1,066)	(104)	(203)	(445)	(15)	-	-	(1,833)
Written off	-	-	-	-	-	-	(42)	-	-	-	-	-	(42)
As at December 31, 2017	-	-	394,357	88,925	50,406	129,096	378,467	79,619	89,398	13,428	7,016	-	1,230,712
Net book value													
As at December 31, 2017	159,120	1,348,825	106,942	278,063	53,484	23,986	69,875	6,624	1,841	2,432	1,361	221	2,052,774
As at December 31, 2016	159,120	1,348,825	111,680	285,192	60,140	26,496	91,564	8,841	2,140	2,401	1,613	2,310	2,100,322

Building and equipment as at December 31, 2017 and 2016 in amount of Baht 1,250.53 million and Baht 1,188.95 million, respectively in consolidated financial statements and Baht 505.34 million and Baht 503.30 million, respectively in separate financial statements, have been fully depreciated but still in use.

The Company and subsidiaries uses land with its construction as collateral for loan from a bank as stated in Notes 19 and 21

Depreciation in the statements of profit or loss for the years ended December 31, 2017 and 2016 are as follow:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Depreciation - Historical Cost	181,196	172,948	43,393	43,557
Depreciation - Revaluation surplus	84,523	86,290	7,130	7,697

During the year, a subsidiary, Asia Airport Hotel Co., Ltd., has written off fixed assets at cost of Baht 9.16 million and realized loss from written off fixed assets in the consolidated statement of profit or loss the year ended December 31 2017, of Baht 4.80 million.

During the year 2016, a subsidiary, Zeer Property Plc., has written off fixed assets at cost of Baht 8.48 million and realized loss from written off fixed assets in the consolidated statement of profit or loss for the year ended December 31, 2017 of Baht 3.46 million.

14. REAPPRAISAL

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

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

	Unit: Thousands Baht					
	Consolidated financial statement					
	Balance as at January 1, 2017	Restated	Increased (decreased) (amortization) during the year	Deferred tax liability decreased (increased)	Difference from foreign exchange rates	Balance as at December 31, 2017
Land	2,349,672	(74,104)	56,265	(14,571)	(3,099)	2,314,163
Building Construction						
Public utility system	2,866,947	(29,131)	118,141	(25,192)	-	2,930,765
Building improvement and Construction	8,728	-	-	-	-	8,728
Total excess of revaluation surplus	5,225,347	(103,235)	174,406	(39,763)	(3,099)	5,253,656
Less Accumulated revaluation surplus - write-off	(664,209)	-	(84,523)	16,916	-	(731,816)
Restated	-	(21,862)	-	-	-	(21,862)
Total revaluation surplus	4,561,138	(125,097)	89,883	(22,847)	(3,099)	4,499,978
Less Non-controlling interest - net	(105,549)	-	(5,201)	1,302	7	(109,441)
Total revaluation surplus - net	4,455,589	(125,097)	84,682	(21,545)	(3,092)	4,390,537

During the year, the Company and a subsidiary, Asia Pattaya Hotel Co., Ltd. have restated and reclassified its financial statements regarding the account of property, plant and equipment and revaluation surplus of assets on the financial statements for the year ended December 31, 2016.

The effects on consolidated and separate statement of financial position as at December 31, 2016 and consolidated and separate statements of profit or loss and other comprehensive income for the year ended December 31, 2016 are as follows:

	Unit: Thousands Baht		
	Consolidated financial statements		
	Before restated	Restated	After restated
STATEMENTS OF FINANCIAL POSITION			
Property, plant and equipment - net	8,648,773	(129,044)	8,519,729
Deferred tax liabilities	1,148,409	(25,809)	1,122,600
Other components of equity	4,488,769	(103,235)	4,385,534
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Other comprehensive income			
Items that will not be reclassified			
to profit or loss			
Changs in revaluation surplus	151,826	(129,044)	22,782
Income tax on other comprehensive income relating to items that will not be reclassified	(30,133)	25,809	(4,324)
	Unit: Thousands Baht		
	Separate financial statements		
	Before restated	Restated	After restated
STATEMENTS OF FINANCIAL POSITION			
Property, plant and equipment - net	2,229,366	(129,044)	2,100,322
Deferred tax liabilities	332,699	(25,809)	306,890
Other components of equity	1,410,448	(103,235)	1,307,213
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Other comprehensive income			
Items that will not be reclassified			
to profit or loss			
Changs in revaluation surplus	151,826	(129,044)	22,782
Income tax on other comprehensive income relating to items that will not be reclassified	(30,712)	25,809	(4,903)

The subsidiary, ZEER OVERSEA LLC engaged independent appraiser to reappraise land, building and building improvement and public utility system outstanding as of August 31, 2017, according to the appraisal report as follows:

- Land, according to the appraisal report dated August 21, 2017, having the appraised value, based on the market approach method, totaling Baht 205.23 million (USD 6.15 million). The subsidiary recognised the revaluation surplus of Baht 34.05 million in the statement of other comprehensive income.
- Building and building improvement and public utility system, according to the appraisal report dated August 21, 2017, having the appraised value, based on the depreciated replacement cost approach method, totaling Baht 43.38 million (USD 1.30 million). The subsidiary recorded the reversal of the revaluation surplus of Baht 15.51 million in the statement of other comprehensive income and recognised loss from fixed assets revaluation of Baht 16.68 million in the statement of profit or loss.

As at December 31, 2017, the subsidiary– Zeer Property Plc. engaged independent appraiser to reappraise building and building improvement and public utility system of Zeer Rangsit Complex and The Hub Rangsit Complex, Based on the appraisal report dated February 23, 2018, the subsidiary calculated the appraised value, according to the depreciated replacement cost approach method, totaling Baht 4,055 million, and recognized the revaluation surplus of Baht 140.67 million in the statement of other comprehensive income.

As at December 31, 2017, the subsidiary– Zeer Property Plc. engaged independent appraiser to reappraise land, building and building improvement and public utility system of Cha-am Project are as follows:

- Land, according to the appraisal report dated February 23, 2018, having the appraised value, based on the market approach method, totaling Baht 139.28 million. The subsidiary recognised the revaluation surplus of Baht 22.54 million in the statement of other comprehensive income.
- Building and building improvement and public utility system, according to the appraisal report dated February 23, 2018, having the appraised value, based on the depreciated replacement cost approach method, totaling Baht 264.74 million. The subsidiary recorded the reversal of the revaluation surplus of Baht 7.02 million in the statement of other comprehensive income and recognised loss from fixed assets revaluation of Baht 34.23 million in the statement of profit or loss.

	Unit: Thousands Baht				
	Seperated financial statement				
	Balance as at January 1, 2017	Restated	Amortization during the year	Deferred tax liability decreased	Balance as at December 31, 2017
Land	1,167,341	(88,280)	-	-	1,079,061
Building and construction	308,544	(14,955)	-	-	293,589
Total excess of revaluation surplus	1,475,885	(103,235)	-	-	1,372,650
<u>Less</u> Accumulated revaluation surplus- write-off	(65,437)	-	(7,130)	1,426	(71,141)
Total revaluation surplus - net	<u>1,410,448</u>	<u>(103,235)</u>	<u>(7,130)</u>	<u>1,426</u>	<u>1,301,509</u>

As at December 31, 2016, the Company adjusted the revaluation of its property according to the report of the independent appraiser. As a result, the surplus increased by Baht 18.23 million (net from income tax).

15. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, 2017 are as follows:

Unit: Thousands Baht

	Consolidated financial statement			Balance as at December 31, 2017
	Balance as at	Movement during the year		
	January 1, 2017	Increased/Transfer	Decreased/Transfer	
Cost				
Computer Software	12,960	546	-	13,506
Accumulated amortization				
Computer Software	(8,839)	(1,341)	-	(10,180)
Intangible assets - net	<u>4,121</u>			<u>3,326</u>

Unit: Thousands Baht

	Seperated financial statement			Balance as at December 31, 2017
	Balance as at	Movement during the year		
	January 1, 2017	Increased/Transfer	Decreased/Transfer	
Cost				
Computer Software	4,551	483	-	5,034
Accumulated amortization				
Computer Software	(2,701)	(642)	-	(3,343)
Intangible assets - net	<u>1,850</u>			<u>1,691</u>

Amortization for the years ended December 31, 2017 and 2016 in the consolidated statement of profit or loss are Baht 1.34 million and Baht 0.76 million, respectively and in the separate statements of profit or loss are Baht 0.64 million and Baht 0.22 million, respectively.

16. DEFERRED TAX

Deferred tax as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht					
	Consolidated financial statements					
	Assets		Liabilities		Net	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Property, plant and equipment - revaluated	-	-	1,133,776	1,111,716	1,133,776	1,111,716
Land rental	-	-	12,453	10,072	12,453	10,072
Employee benefit obligation	(14,951)	(13,772)	-	-	(14,951)	(13,772)
Deferred revenue - leasehold rights on leased area	(4,479)	(5,337)	-	-	(4,479)	(5,337)
Tax loss carried forward	(8,762)	(13,081)	-	-	(8,762)	(13,081)
Depreciation	-	-	31,899	21,216	31,899	21,216
Loss form fixed assets revaluation	(11,545)	-	-	-	(11,545)	-
Gain on compensation from insurance claim	-	-	11,858	-	11,858	-
Others	(676)	(5,669)	3,646	-	2,970	(5,669)
Total	(40,413)	(37,859)	1,193,632	1,143,004	1,153,219	1,105,145
Income tax offsetting	38,311	20,404	(38,311)	(20,404)	-	-
Deferred tax (assets) and liabilities - net	<u>(2,102)</u>	<u>(17,455)</u>	<u>1,155,321</u>	<u>1,122,600</u>	<u>1,153,219</u>	<u>1,105,145</u>

Unit: Thousands Baht					
Separate financial statements					
Assets		Liabilities		Net	
December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Inventories	(27)	(27)	-	-	(27)
Property, plant and equipment - revaluated	-	-	325,378	326,803	325,378
Employee benefit obligation	(7,229)	(6,804)	-	-	(7,229)
Tax loss carried forward	(8,762)	(13,081)	-	-	(8,762)
Total	(16,018)	(19,912)	325,378	326,803	309,360
Income tax offsetting	16,018	19,912	(16,018)	(19,912)	-
Deferred tax liabilities - net	-	-	309,360	306,891	309,360

Income tax expense for the years ended December 31, 2017 and 2016 are as follows:

Unit: Thousands Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Corporate income tax expense	(8,215)	(13,844)	-	-
Deferred income (expense) taxes	(9,447)	(1,498)	(2,469)	2,142
Income tax (expense) revenue	(17,662)	(15,342)	(2,469)	2,142

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

Unit: Thousands Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit before income tax	179,242	21,500	58,704	43,312
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	35,848	4,300	11,741	8,662
Non-deductible expenses by the Revenue Code	2,508	2,443	302	414
Allowance by the Revenue Code	(6,664)	(584)	(6,637)	(584)
Dividend income	-	-	(7,256)	(10,671)
Non-taxable income	(22,605)	(2,045)	-	-
Unused tax loss	-	1,372	-	37
Net loss in current year,				
not recognized as deferred tax	3,882	5,319	-	-
Adjustment on deferred tax assets	4,319	3,677	4,319	-
Difference from income tax rate	(485)	612	-	-
Other	859	248	-	-
Income tax expense (income)	17,662	15,342	2,469	(2,142)
The average effective tax rate	10%	71%	4%	-5%

The Company and subsidiaries have tax losses carried forward. Due to the uncertainty of the utilization, the Management, therefore, considers not to recognize part of tax loss as deferred tax. Unrecognized tax loss are as follow:

Unit: Million Baht			
Expiry date	Consolidated		Separate
	financial statements		financial statements
2018	13.59		-
2019	51.85		29.89
2020	11.56		-
2021	23.18		-
2022	15.51		
Total	115.69		29.89

According to Act No. 42 B.E. 2559 dated March 3, 2016, the corporate income tax rate has been continued at 20 % on net profit for the accounting periods beginning on January 1, 2016.

The subsidiary in oversea calculated income tax using the progressive tax rate, average rate in year 2017 and 2016 of 25.13 % and 23.84%, respectively. The tax rate has changed to flat rate at 29.84% on net profit for the accounting periods beginning on January 1, 2018.

17. PREPAID RENTAL - NET

Prepaid rental – net as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Beginning balance	382,288	353,253	33,915	33,915
Increase during the year	29,035	29,035	-	-
Total	411,323	382,288	33,915	33,915
Less Accumulated amortization	(254,541)	(230,993)	(25,600)	(24,388)
Prepaid rental - net	156,782	151,295	8,315	9,527

Amortization for the years ended December 31, 2017 and 2016 in amount of Baht 23.55 million in consolidated financial statements and Baht 1.21 million in separate financial statements.

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

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

18. DEPOSIT FOR PURCHASE OF ASSETS

At Board of Directors' Meeting No. 4/2016 held on November 9, 2016, the subsidiary, Zeer Property Plc., has approved to invest in property, commercial building and hotel in Chiang Mai province according to the agreement of purchase and sale, dated October 13, 2016 at a price of Baht 140 million. When the project is completed, it is expected to comprise areas of approximately 4,000 square meters of shopping center and rental areas and of approximately 2,900 square meters of the hotel building. This is the joint investment in the newly established company (Spa Hotel Co., Ltd.) which is a recipient of

ownership of the transferred land and buildings above. During the year 2016, the subsidiary paid a deposit for purchase of assets in amount of Baht 24 million.

On January 31, 2017, the subsidiary, Spa Hotel Co., Ltd. received a transfer of ownership of land and buildings located in Chang Moi Sub-district, Muang District, Chiang Mai province according to the agreement of purchase and sale of land and buildings, dated October 13, 2016 at a price of Baht 140 million and paid for the assets under the agreement of purchase and sale of land and buildings in net price after deducting the deposit for purchase of assets.

19. BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Bank overdraft	62,397	72,131	23,840	27,432
Promissory notes	55,000	100,000	35,000	40,000
Short-term loan	124,184	-	-	-
Total bank overdraft and short-term loan from financial institution	241,581	172,131	58,840	67,432

As at December 31, 2017, the Company and subsidiaries had the credit facilities for loans as follows:

- 19.1 The Company has overdrafts line of Baht 41 million and promissory notes line of Baht 40 million with interest rate at MLR% per annum, guaranteed by directors of the Company and by mortgaging of the land with construction of the Company and of Asia Pattaya Hotel Co., Ltd. and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.
- 19.2 A subsidiary, Asia Pattaya Hotel Co., Ltd., has overdrafts line of Baht 25 million and promissory note line of Baht 20 million, guaranteed by directors of Asia Pattaya Hotel Co., Ltd. and by mortgaging of the land with construction of Asia Pattaya Hotel Co., Ltd. and of the Company and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.
- 19.3 A subsidiary, Asia Airport Hotel Co., Ltd., has overdrafts line of Baht 10 million, guaranteed by the directors of the Company, Asia Hotel Public Company Limited, and leasehold right on Zeer Rangsit Complex.
- 19.4 A subsidiary, Zeer Property Plc., has overdrafts line of Baht 54 million and promissory notes line of Baht 100 million, with interest rate at MOR-1.00% per annum, guaranteed by the directors of the Company and of Don Muang Grand Plaza Co., Ltd., and by mortgaging of land with construction in Zeer Rangsit Complex and at Cha-am, leasehold right on area of Zeer Rungsit, and deposits at financial institution.
- 19.5 On March 3, 2017, the subsidiary, ZEER OVERSEA LLC., entered into the short-term loan agreement with an oversea financial institution in facility of USD 3.8 million. The repayment will be made within 1 year with the interest rate at LIBOR + 2.75% per annum. This is guaranteed by the Stand By Letter of Credit (SBLC) facility of USD 3.8 million from a domestic financial institution. The subsidiary received the short-term loan on August 1, 2017. The repayments must be completed on July 2, 2018.

Under the term of the loan agreement, the subsidiary has to maintain the DSCR Ratio not lower than 1.2:1 and minimum liquidity of not less than USD 100,000 as of each fiscal quarter end.

19.6 On February 15, 2017, the subsidiary, Zeer Property Plc., entered into a Credit Support Agreement with a local bank for providing a Stand By Letter of Credit (SBLC) in the amount not to exceed of USD 3.8 million to guarantee the revolving line of credit of ZEER OVERSEA LLC., a subsidiary of the Company, with a foreign financial institution.

The Stand By Letter of Credit (SBLC) facility is guaranteed by part of land with its construction at Cha-am Project and the director of Zeer Property Plc.

19.7 On December 19, 2017, the subsidiary, Spa Hotel Co., Ltd has entered into a revolving loan agreement in totaling Baht 15 million consisting of overdrafts line of Baht 10 million and guarantee of Baht 5 million, with the interest rate at MOR per annum, guaranteed by land with its construction of the subsidiary, Spa Hotel Company Limited and some directors of the subsidiary, Zeer Property Plc.

20. OTHER PAYABLES

Other payables as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Accrued expenses	51,668	46,049	18,920	16,013
Guarantee and deposit	4,513	4,069	3,565	2,929
Advance received	9,138	8,956	331	316
VAT payable and output tax	6,111	4,958	2,289	1,562
Retention	10,857	15,321	89	94
Others	9,827	9,741	1,256	339
Total other payables	92,114	89,094	26,450	21,253

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution - net as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2017	2016	2017	2016
Long-term loans from banks	1,795,357	1,861,203	611,000	667,000
<u>Less</u> current portion of long-term				
loans from financial institutions	(189,663)	(193,326)	(56,000)	(56,000)
Total long-term loans - net	1,605,694	1,667,877	555,000	611,000

21.1 On November 3, 2016, the Company entered the long-term loan agreement with the financial institution amount of Baht 120 million for improving the Facade, Front Desk, Lobby, Coffee shop and Commercial shops of Asia Hotel Ratchathewi. The Company has the commitment

to repay the new loan on a quarterly basis (46 installments starting the first installment repayments in 21st month from the date of the first drawdown.) and pay the interest monthly at the rate of MLR-1.50% per annum to MLR – 0.375% per annum and the repayments must be completed within 11.50 years since the first loan drawdown date.

On October 6, 2016, the Company entered the addendum agreement with the financial institution to change the repayment of the principal and interest of the loan agreement facilities of Baht 1,350 million. The Company has the commitment to repay the loan on a quarterly basis for 80 installments (from 60 installments) and pay interest monthly at the rate of MLR-1.50% to MLR-0.125% per annum. The repayment of final principal, then, is extended from January 2023 to January 2028.

On April 28, 2008, the Company entered into the long-term loan agreement facilities of Baht 1,350 million with a bank to repay the existing balance of loan from 4 financial institutions of Baht 1,070 million and to improve building of Baht 280 million. The Company has the commitment to repay the new loan on a quarterly basis for 60 installments and pay interest monthly at the rate of MLR-1.50% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023.

21.2 On April 30, 2008, a subsidiary, Asia Pattaya Hotel Co., Ltd., had engaged in a new loan agreement from the same existing loan lender of the subsidiary in order to settle the existing loan in the amount of Baht 220 million. The subsidiary has the commitment to repay the new loan on a quarterly basis for 60 installments and pay the interest monthly at the rate of MLR-1.50% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023, causing the former loan agreement to be entirely revoked.

21.3 On April 30, 2008, a subsidiary, Asia Airport Hotel Co., Ltd., had engaged in a new loan agreement from the same existing loan lender of the subsidiary in order to settle the existing loan in the amount of Baht 150 million. The subsidiary has the commitment to repay the new loan on a quarterly basis for 60 installments and pay the interest monthly at the rate of MLR-1.50% to MLR-0.125% per annum commencing in April 2008, and the repayment of loan will be completed within January 2023, causing the former loan agreements both short-term and long-term including the amendment to be entirely revoked.

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

- On August 11, 2011, the subsidiary entered into loan agreement with a bank in facilities of Baht 140 million in order to settle the existing loan with a bank. The subsidiary has the commitment to repay the new loan on a quarterly basis for 40 installments and pay the interest monthly at the rate of MLR-1.50% per annum for the 1st – 3rd year, at MLR – 1.00% per annum for the 4th – 7th year and at MLR -0.50% per annum for the 8th year onwards, commencing in November 2011 and will be completed in October 2021.

On May 25, 2012, the Company entered into the loan agreement with the financial institution in facility of Baht 950 million for supporting the construction Zeer II and for supporting Apartment Project in facility of Baht 50 million. The first three years bear interest rate at MLR - 1.50% per annum, the fourth - seventh years at MLR - 1.00% per annum and the eighth year onwards at MLR - 0.50% per annum. The principal is paid on quarterly basis (44 periods) and its interest is paid on monthly basis. The repayment must be completed within September 2026.

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

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

- On January 11, 2011, the subsidiary entered into loan agreement with a financial institution in credit line of Baht 180 million in order to provide loan to subsidiary ZEER OVERSEA

LLC. to purchase investment properties in USA. The principal is required to be paid through 120 installments and interest is required to be monthly paid with interest rate at MLR – 0.25% per annum for the 1st – 2nd year and at MLR per annum for the third year onwards, commencing in April 2011 and will be completed in March 2021. In the second quarter of year 2017, the subsidiary fully repaid the principal.

Long-term loan is guaranteed by some of leasehold right on Zeer Rangsit Building which is hold by a domestic subsidiary, land with its construction of a related company, two related companies, a subsidiary in oversea and some directors of the Company and the subsidiary. Under the term of the loan agreement, the subsidiary has to maintain the D/E Ratio not exceed 2.7:1 and DSCR Ratio not lower than 1.25:1.

- 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 with interest rate at MLR-0.25% per annum for the 1st – 2nd year and at MLR% per annum for the 3rd year onwards, through 120 monthly installments. The loan is graced for principal payment for the first 18 installments. The loan repayment is started in August 2011 and will be completed in January 2020.

And on February 27, 2016, the subsidiary entered the long-term loan agreement with the financial institution amount of Baht 50 million for investing in the meeting room and swimming pool at Cha-am Project with the interest rate at MLR - 0.25% per annum. The repayments principal and its interest is made on monthly basis (72 periods with grace period on 1st- 6th installments) and the repayments must be completed within 6 years since the first loan drawdown date.

Long-term loan is guaranteed by some of land with its construction in Cha-am Project and guaranteed by two related companies, a domestic subsidiary and the directors of the Company and the subsidiary.

Under the term of the loan agreement, the subsidiary must maintain of the financial ratio, D/E Ratio not over than 2.7:1 and DSCR Ratio not less than 1.25:1.

- On October 21, 2016, the subsidiary entered the long-term loan agreement with the financial institution amount of Baht 150 million for renovation of the construction, furnishings, equipment and other expenses. The first three years bear interest rate at MLR - 1.5% per annum, the fourth year onwards is at MLR - 1.0% per annum. The principal is repaid on quarterly basis (24 installments starting the first installment repayments in 15th month from the date of the first drawdown) and its interest is paid on monthly basis. The repayments must be completed within 7 years since the first loan drawdown date.

Long-term loan is guaranteed by some of leasehold right from related companies on Zeer Rangsit, Zeer 2 Project, and Apartment Project and guaranteed by a related company and some directors of the subsidiary.

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

- On February 6, 2017, the subsidiary, Zeer Property Plc., entered into the long-term loan agreement with the financial institution amount of Baht 80 million for the investment in subsidiary, Spa Hotel Co., Ltd. The first three years bear interest rate at MLR - 1.5% per annum, the fourth year onwards is at MLR - 1.0% per annum. The principal is repaid on quarterly basis (34 installments starting the first installment repayments in 21st month from the date of the first drawdown.) and its interest is paid on monthly basis. The repayments must be completed within 10 years since the first loan drawdown date.

Long-term loan is secured by the mortgage of land with its construction of a subsidiary, Spa Hotel Co., Ltd. and guaranteed by some directors of the subsidiary.

Under the term of the loan agreement, the subsidiary which is Zeer Property Plc. has to maintain the D/E Ratio not exceeding 2:1 and DSCR Ratio not lower than 1.1:1.

- 21.5 On December 19, 2017, the subsidiary, Spa Hotel Co., Ltd entered a long-term loan facility agreement with a financial institution in the amount of Baht 111 million for renovation of the

construction, furnishings, equipment and other expenses in amount of Baht 100 million, and for the purchase of land with construction in the amount of Baht 11 million.

The interest rate of the two facilities for the first three years are set at MLR - 1.5% per annum, the fourth - seventh years at MLR – 1.0% per annum, and for the eighth year onwards at MLR - 0.5% per annum. The principal is repaid on quarterly basis (32 installments, the first occurring 27th months from the date of the first drawdown.) and its interest is paid on monthly basis. The repayments must be completed within 10 years from the first loan drawdown date.

The long-term loan is guaranteed by land and its accompanying construction of subsidiary, Spa Hotel Co., Ltd. and by certain directors of the subsidiary.

According to the terms of the loan agreement, the subsidiary must maintain the following financial ratios:

- From the years 2019 to 2021, a maximum D/E Ratio of 2:1.
- From the year 2022 onward, a maximum D/E Ratio of 1.5:1.
- From the year 2020 onward, a minimum DSCR Ratio of 1.1:1.

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 Company's loans from bank in facilities of Baht 1,470 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., mortgages investment properties, land with its construction (Cham Project), leasehold right (sub-contract) of Zeer Rungsit Complex, and has the guarantee from related companies, related persons and some directors of Zeer Property Plc. as collateral for its loans from bank in facilities of Baht 1,758 million.

22. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements as at December 31, 2017 and 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statement	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Due not later than one year				
Minimum payments	1,560	1,560	281	281
Deferred interest	(205)	(264)	(24)	(37)
Liabilities under financial lease – net	<u>1,355</u>	<u>1,296</u>	<u>257</u>	<u>244</u>
Due later than one year but not later than three years				
Minimum payments	3,012	4,573	296	577
Deferred interest	(172)	(394)	(9)	(33)
Liabilities under financial lease – net	<u>2,840</u>	<u>4,179</u>	<u>287</u>	<u>544</u>
Net book value of vehicles				
under finance leases agreements	<u>4,838</u>	<u>6,108</u>	<u>695</u>	<u>943</u>

The Group entered into lease agreements with the financial institution for operating vehicles. The leases agreements have the terms of 4 years and bear interest rates between 5.75% to 5.99% per annum. The repayment of Baht 0.12 million in the consolidated financial statements and of Baht 0.02 million in the separate financial statements will be made on a monthly basis.

23. EMPLOYEE BENEFIT OBLIGATIONS

Movements of the present value of employee benefits obligation for the years ended December 31, 2017 and 2016 are as follows:

	Unit: Thousand Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Employee benefit at beginning of year	68,859	61,067	34,023	32,743
Included in profit or loss:				
Current service cost	8,539	6,659	3,302	2,917
Interest cost	1,596	2,072	789	1,128
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	9,286	-	5,847
Experience adjustments	-	(8,126)	-	(7,581)
Benefit paid during the year	(4,240)	(2,099)	(1,969)	(1,031)
Employee benefit obligations at end of year	74,754	68,859	36,145	34,023

Employee benefit expenses in profit or loss for the year ended December 31, 2017 and 2016, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2017	2016	2017	2016
Cost of sales	6,021	4,479	2,181	2,131
Selling expenses	53	472	-	-
Administrative expenses	4,061	3,780	1,910	1,914
Total employee benefit expenses	10,135	8,731	4,091	4,045

The Group has defined benefit plan in accordance with severance payment under the labor law which entitled retired employee within work service period in various rates.

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table of 2008 (TMO 2008) from the Office of Insurance Commission.

Principal actuarial assumptions as at December 31, 2017 and 2016 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.32-2.46 %	2.32-2.46 %	2.32%	2.32%
Salary rate increases in the future	4-5%	4-5%	4%	4%
Mortality rate	100% of Thai Mortality Ordinary Tables of 2008		100% of Thai Mortality Ordinary Tables of 2008	
Turnover rate				
Monthly employees				
Under 31 years old	19-36%	19-36%	25%	25%
31 - 40 years old	14-20%	14-20%	17%	17%
41 - 50 years old	8-14%	8-14%	8%	8%
51 - 55 years old	6-7%	6-7%	7%	7%
Above 55 years old	0%	0%	0%	0%
Daily employees				
Under 31 years old	38-46%	38-46%	38%	38%
31 - 40 years old	33-46%	33-46%	33%	33%
41 - 50 years old	24-30%	24-30%	24%	24%
51 - 55 years old	14-23%	14-23%	23%	23%
Above 55 years old	0%	0%	0%	0%
Retire	60 ปี	60 ปี	60 ปี	60 ปี

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2017 are summarized below:

	Unit: Thousand Baht			
	Change of the present value of the employee benefit obligations			
	Increase (Decrease)			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,672)	4,131	(1,667)	1,869
Salary rate increases in the future	4,307	(3,901)	1,799	(1,638)
Turnover rate	(3,974)	2,197	(1,795)	930

24. GUARANTEE FOR RENTAL

Guarantee for rental as at December 31, 2017 and 2016 are as follows:

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Asia Hotel Plc.	11,742	13,684	11,742	13,684
Asia Airport Hotel Co., Ltd.	576	778	-	-
Asia Pattaya Hotel Co., Ltd.	195	262	-	-
Zeer Property Plc.	151,782	166,879	-	-
Total	164,295	181,603	11,742	13,684

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

25. DEFERRED REVENUE – LEASEHOLD RIGHTS ON LEASED AREA

Deferred revenue – leasehold rights on leased area as at December 31, 2017 and 2016 are as follows:

Unit: Thousands Baht

	Consolidated financial statements	
	December 31, 2017	December 31, 2016
Deferred revenue - leasehold rights on lease area	220,195	223,922
<u>Less</u> Accumulated amortization	(187,975)	(181,344)
Deferred revenue - leasehold rights on lease area	32,220	42,578
<u>Less</u> Current portion	(7,682)	(8,278)
Net	24,538	34,300
Deferred revenue is recognized as revenue as follow :		
Within 1 year	7,682	8,278
Over 1 year but not over 5 years	23,605	27,866
Over 5 years	933	6,434
Total	32,220	42,578

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.

26. LEGAL RESERVE

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

27. DEIVIDEND PAYMENTS

According to the Board of Director Meeting No. 11/2017 held on November 13, 2017, the Board approved to pay an interim dividend for operating result from January 1, 2017 to June 30, 2017 at the rate of Baht 0.60 per share of 32 million shares totaling Baht 19.20 million. The shareholders' names who have right to receive dividend were on November 29, 2017. The dividend was paid on December 12, 2017.

According to the Annual Shareholders' Meeting No. 55 held on April 26, 2017, the shareholders passed the resolution to pay dividend for operating result from January 1, 2016 to December 31, 2016 at the rate of Baht 0.85 per share of 32 million shares totaling Baht 27.20 million which was paid on May 25, 2017.

According to the Annual Shareholders' Meeting No. 54 held on April 21, 2016, the shareholders passed the resolution to pay dividend for operating result from January 1, 2015 to December 31, 2015 at the rate of Baht 4.25 per share of 32 million shares totaling Baht 136 million. The Company paid interim dividend at the rate of 2.25 Baht per share totaling Baht 72 million on September 9, 2015. Therefore, the remaining dividend to be paid at the rate of Baht 2.00 per share in the amount of Baht 64 million which was paid on May 19, 2016.

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2017, the Company and subsidiaries had the commitments and contingent liabilities, as follows:

28.1 Letters of guarantee issued by banks are as follows:

28.1.1 The Company: in the amount of Baht 5.87 million.

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

28.1.3 Subsidiary – Zeer Property Plc.: in the amount of Baht 17.91 million.

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

28.2 The Company guarantees liabilities of its two subsidiaries in the amount of Baht 1,009.50 million.

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

28.4 The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and two subsidiaries in the amount of Baht 1,785 million.

28.5 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 leasehold land of a related company, partial leasehold land in Zeer Rungsit of the subsidiary, land with construction on Cha-am project, a related company and the director of the Company and the subsidiary.

28.6 The subsidiary – Zeer Property Plc. has the Stand By Letter of Credit (SBLC) facility of USD 3.8 million with the domestic financial institution in order to use as security for the Revolving Line of Credit with a foreign financial institution of the subsidiary, ZEER OVERSEA LLC.

28.7 The subsidiary– Zeer Property Plc. has obligation to pay for construction project in the future as at December 31, 2017 in the amount of Baht 78.57 million.

28.8 The subsidiary– Spa Hotel Co., Ltd. has obligation to pay for construction project of hotel and shopping complex at Chiang Mai in the future as at December 31, 2017 in the amount of Baht 39.60 million.

28.9 The subsidiary– Zeer Property Plc. has commitment to repay land rental fee under contract with Don Mung Grand Plaza Co., Ltd. as follows:

Payable within	Unit: Thousands Baht
	Consolidated financial statements
Due within one year	32,634
Due over one year but not later than five years	119,026
Due over five years	375,527
Total	527,187

29. INFORMATION BY SEGMENT

The Group segmental information is divided into the room service, operating restaurants, rental of shopping complex and real estate and are mainly carried on both in Thailand and overseas which operated by subsidiaries.

The financial information of the Company and its subsidiaries by segment, for the year ended December 31, 2017 and 2016 are as follows:

	Unit: Thousand Baht									
	Domestics						Oversea		Total	
	Room		Food and beverage		Rental and services		Rental and services			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Income from hotel business	439,014	400,074	271,137	261,293	-	-	-	-	710,151	661,367
Cost of hotel business										
Cost of hotel business	(217,760)	(222,554)	(214,069)	(220,616)	-	-	-	-	(431,829)	(443,170)
Depreciation - Revaluation surplus of assets	(16,976)	(20,317)	(4,484)	(2,849)	-	-	-	-	(21,460)	(23,166)
Income from rental and service	-	-	-	-	585,992	602,688	24,264	17,641	610,256	620,329
Cost of rental and service										
Cost of rental and service	-	-	-	-	(397,644)	(384,236)	(9,479)	(8,481)	(407,123)	(392,717)
Depreciation - Revaluation surplus of assets	-	-	-	-	(62,763)	(62,658)	(300)	(467)	(63,063)	(63,125)
Gross profit	204,278	157,203	52,584	37,828	125,585	155,794	14,485	8,693	396,932	359,518
Others income									260,377	82,735
Profit before expense									657,309	442,253
Selling expenses									(64,523)	(67,851)
Administrative expenses									(232,800)	(218,020)
Loss from fixed assets revaluation									(50,754)	-
Management benefit expenses									(14,875)	(15,689)
Directors' remuneration									(3,428)	(3,300)
Reversal of provision for doubtful debt (Doubtful debt)									1,877	(2,555)
Financial cost									(113,564)	(113,338)
Profit before income tax									179,242	21,500
Income tax expense									(17,662)	(15,342)
Net profit for the year									161,580	6,158
Attributable to										
Equity holders of the parent									153,449	3,525
Non-controlling interests									8,131	2,633
									161,580	6,158

Segment information on geographic of the Company and subsidiaries as at December 31, 2017 and 2016 were as follows:

	Unit: Thousands Baht					
	Domestics		Overseas		Total	
	2017	2016	2017	2016	2017	2016
Investment properties - net	63,888	67,656	-	-	63,888	67,656
Property, plant and equipment - net	8,413,068	8,253,837	243,032	265,892	8,656,100	8,519,729
Total assets	9,036,841	8,733,542	263,005	295,611	9,299,846	9,029,153

30. PROVIDENT FUND

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

The Company and subsidiaries paid for employee's provident funds for the year ended December 31, 2017 and 2016 in amount of Baht 7.82 million and Baht 7.95 million, respectively in consolidated financial statements and Baht 3.54 million in separate financial statements.

31. OTHER INCOME

Other income for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Thousands Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Health club and car parking	5,216	5,234	3,719	3,595
Rental, service and electricity	53,748	55,904	47,291	48,997
Gain on exchange rate	739	716	634	635
Gain from sale of assets	180	166	18	51
Gain on compensation from insurance claim	180,962	215	-	-
Others	19,532	20,500	4,946	5,055
Total	260,377	82,735	56,608	58,333

From the severe flood crisis in Thailand in 2011, the subsidiary, Zeer Property Plc., has been affected from the damaged assets. The subsidiary has insurance coverage for loss or damage from flood. The subsidiary has received partial compensation and has filed civil lawsuits against two insurance companies to claim for the compensation.

On February 9, 2016, the Court of Appeals ordered two insurance companies to pay: Baht 120.49 million to the subsidiary, plus interest rate of 7.5 percent per annum on such principal as from October 21, 2011; a penalty of Baht 4.00 million; and court fees and attorney fees of Baht 0.50 million. The two insurance companies have filed an appeal with the Supreme Court on April 7, 2016.

On December 6, 2017, the Civil Court read the Supreme Court Order. The Supreme Court, according to its Order dated July 4, 2017, dismissed the defendant's petition. Therefore, the two insurance companies must comply with the judgment of the Court of Appeals. As a result of the litigation, the subsidiary recorded gain on compensation from insurance claim in the amount of Baht 124.99 million and interest from compensation on an insurance claim of Baht 54.79 million as other income in the consolidated statement of profit or loss for the year ended December 31, 2017. Currently the subsidiary in the process is requesting payment of compensation under the judgment of the Court.

32. EXPENSES BY NATURE

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

	Unit: Thousands Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Salaries, wages and other benefits for employee	404,870	388,012	167,249	162,294
Depreciation	181,196	172,948	43,393	43,557
Depreciation - Revaluation surplus	84,523	86,290	7,130	7,697
Change in inventories	(451)	36	(42)	(99)
Electricity and water	205,175	214,369	33,232	34,580
Cost of foods and beverage	91,220	92,773	48,623	51,008
Repair and maintenance	49,625	49,903	12,072	17,308
Advertising and sale promotion	26,367	32,124	10,250	7,302
Property tax	24,741	23,703	8,740	8,490

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

36. FINANCIAL INSTRUMENT

Interest Rate Risk

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

Credit risk

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

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

Fair value of financial instruments

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

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

37. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on February 27, 2018.

Details of Directors as of March 14, 2018

Attachment 1

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
1. Mr.Piyawudh Senapoopitaksa Chairman (Independent Director) - Audit Committee Member -Nomination and Remuneration Committee Member Age 89 years. As director since year 1968.	Certificate of Life Insurance Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	26,666 (0.08%)	-none-	14 Mar 2018 - Present Chairman of the Board, Asia Hotel Public Company Limited. Jan 2010 - Present Nomination and Remuneration Committee Member, ASIA May 1999- Present Audit Committee Member, Asia Hotel Public Company Limited. 1992 - Aug.2013 Director, Asia Airport Hotel Co.,Ltd. 1972 - Aug.2013 Director, Asia Pattaya Hotel Co.,Ltd. 1968 - Present Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - Parent Company Advisor - subsidiary company				1988 - Present Director, A.B.K. Enterprise Co.,Ltd Aug.2013 - Present Advisor to MD, Asia Airport Hotel Co.,Ltd. Aug.2013 - Present Advisor to MD, Asia Pattaya Hotel Co.,Ltd.	Holding Company Hotel & Rest. Hotel & Rest.
2. Dr. Amorn Techaruvichit Authorized Director Vice Chairman, As director since year 1981 Age 71 years	An Honorary Doctorate of Art in Hotel Degree, Bangkok Thonburi University MBA. WORDBARY COLLEGE, L.A. USA. Certificate of Attendance DAP # 7/2004 from IOD.	70,000 (0.22%)	Uncle of Mr.Surapong Mrs.Pornpun Mrs.Oyetip	Feb.2014 - Present President of Asia Hotel Groups 1990 - May 2011 Director, Zeer Property Public Co.,Ltd. 1981 - Feb.2014 Deputy Managing Director and Executive Director, Asia Hotel Public Company Limited 1992 - Present Director , Asia Airport Hotel Co.,Ltd. 1972 - Present Director , Asia Pattaya Hotel Co.,Ltd.	Hotel & Rest. Rental Area Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - Parent company				1988 - Present Chairman, A.B.K. Enterprise Co.,Ltd.	Holding Company
3. Mr.Surapong Techaruvichit Authorized Director Executive Director Managing Director Appointed on 18 February,2014 Age 59 years As director since year 1984	Bachelor Degree in Economics Chulalongkorn University MBA, NIDA, Bangkok Certificate of Attendance DAP # 7/2004 and DCP # 167/2012 from IOD.	226,666 (0.71%)	Son of Mrs. Suvimol, Elder brother of Mrs.Pornpun	Feb. 2014 - Present Managing Director, Asia Hotel Public Company Limited Managing Director , Asia Pattaya Hotel Co.,Ltd. Managing Director , Asia Airport Hotel Co.,Ltd. 1990 - March.2012 Director,Zeer Property Public Co.,Ltd. 1992 - Feb.2014 Assistant Managing Director, Asia Airport Hotel Co.,Ltd. 1984 - Feb.2014 Assistant Managing Director,Asia Hotel Public Company Limited 1983 - Feb.2014 Assistant Managing Director, Asia Pattaya Hotel Co.,Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Rental Area Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - parent company and related company Advisor - Travel Advisory				1988 - Present Director, A.B.K. Enterprise Co.,Ltd. 1989 - Present Director, Pamatoy Co., Ltd. 2003 - Present Vice President, Thailand Hotel Standard Foundation 2015 - Present Sub Committee Board Member, Thailand Convention & Exhibition Bureau 2012 - Present Vice President, Tourism Council of Thailand	Holding Company Manufacture Tourism Tourism Tourism

Details of Directors as of March 14, 2018 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
4. Mrs.Pornpun Tanariyakul Authorized Director Executive Director Deputy Managing Director As director since year 2000 Age 58 years	Bachelor Degree in Accounting and MBA, Chulalongkorn University Certificate of Attendance DAP # 6/2003 from IOD.	3,572,775 (11.16%) Mrs.Pornpun = 3,472,375 shares Spouse=100,400 shares	Dauther of Mrs.Suvimol, younger sister of Mr.Surapong elder sister of Mrs.Oyeti	Feb.2014 - Present Deputy Managing Director , ASIA Hotel Public Company Limited Deputy Managing Director , Asia Pattaya Hotel Co., Ltd. Deputy Managing Director , Asia Airport Hotel Co., Ltd. April.2000 - Present Director and Executive Director , ASIA Hotel Public Company Limited 1992 -Feb.2014 Asst. Managing Director,Asia Airport Hotel Co., Ltd. 1988 - Feb.2014 Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1988 - Present Director, A.B.K. Enterprise Co.,Ltd. 2003 - Present Managing Director , Pamatoy Co., Ltd. 2014 - Present Director, Namseng Insurance Public Company Limited.	Holding Company Manufacture Insurance
5. Mrs.Suvimol Techaruvichit Director Age 85 years As director since year 1966	Certificate in Commerce and Accountancy Certificate of Attendance DAP # 7/2004 from IOD.	561,996 (1.76%)	Mother of Mr.Surapong, Mrs.Pornpun and Mrs. Oyeti	1992- Present Director, Asia Airport Hotel Co.,Ltd. 1972 - Present Director, Asia Pattaya Hotel Co.,Ltd. 1966 - Present Director, Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1989 - Present Chairman, Pamatoy Co.,Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd.	Manufacture Holding Company
6. Mr.Sombut Pupipathirunkul Director (Independent Director) Audit Committee Member and Nomination and Remuneration Committee Chairman Age 79 years. As director since year 1989.	Bachelor Degree in Economics Thammasart University Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	52,999 (0.16%) Mr.Sombut = 49,799 shares Spouse = 3,200 shares	-none-	Jan 2010 - Present Nomination and Remuneration Committee Chairman, ASIA May 1999- Present Audit Committee Member, Asia Hotel Public Company Limited. 1992 - Aug.2013 Director, Asia Airport Hotel Co.,Ltd. 1989 - Present Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - Company Advisor - subsidiary company				1996 - Present Director, A.B.K. Enterprise Co.,Ltd Aug.2013 - Present Advisor to MD., Asia Airport Hotel Co.,Ltd.	Holding Company Hotel & Rest.

Details of Directors as of March 14, 2018 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
7. Mr.Suwat Dusitrojawanongse Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 72 years. As director since year 1989.	Bachelor Degree in Economics Kinki University, Japan Certificate of Attendance DAP # 7/2004 , FSD # 4/2009 from IOD.	85,000 (0.27%)	-none-	Jan 2010 - Present Nomination and Remuneration Committee Member, ASIA May 2008 - Present Audit Committee Chairman, Asia Hotel Public Company Limited. 1992 - Aug.2013 Director, Asia Airport Hotel Co.,Ltd. 1989 - Present Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year				Feb 2009 - Present Director, A.B.K. Enterprise Co.,Ltd. 1983 - Present Managing Director, Thepduisit Co., Ltd. Aug.2013 - Present Advisor to MD., Asia Airport Hotel Co.,Ltd.	Holding Company Construction Hotel & Rest.
8. Dr. Chotima Puasiri Independent Director and Audit Committee Member Age 39 years. As director since year 2010.	Master of Commerce, Marketing UNSW, Sydney, Australia & Master of Art, Management. Phd. Business Administration Ramkhamhaeng University Nottingham University, UK. Certificate of Attendance DAP # 78/2009, FSD# 16/2012 ACP# 41 /2012 from IOD	16,666 (0.05%)	-none-	May. 2011 - Present Audit Committee Member, Asia Hotel Public Company Limited. May. 2010 - Present Independent Director , Asia Hotel Public Company Limited. Aug. 2008 - Present Director, Asia Hotel Public Company Limited.	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year				May 2009 - Mar 2017 Director, Nam Seng Insurance Public Company Limited. 2009 - Present Director, N.S.B. Co., Ltd. 2012 - Present Manager, Non-Motor Dep., Nam Seng Insurance Public Company Limited.	Insurance Real Estate Insurance
9. Miss Sudaratana Wisnuwatanakit Company Secretary Age 59 years	Bachelor Degree in Economics Chulalongkorn University MBA., Kasetsart University CSDP no. 15/2550 , BRP 4/2010, EMT 18/2010	131,260 (0.41%)	-none-	May 2011 - Present Company Secretary, Asia Hotel Public Company Limited 2011 - Present Secretary to the Board, Asia Pattaya Hotel Company Limited. 2011 - Present Secretary to the Board , Asia Airport Hotel Company Limited . 1989 - 2011 Asst. Secretary to the Board, Asia Hotel Public Hotel Company Limited. 1985 - 2011 Executive Secretary , Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year -none-					

Training Course from Thai Institute of Directors.(IOD)

DAP = Directors Accreditation Program

ACP = Audit Committee Program

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

DCP = Director Certification Program

BRP = Board Report Program from IOD

FSD = Financial Statement for Directors

EMT = Effective Minute Taking from IOD

Management Team as at December 31, 2017

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years		Type of Business
1. Mr.Surapong Techaruvichit Authorized Director Executive Director Managing Director Appointed on 18 February,2014 Age 59 years As director since year 1984	Bachelor Degree in Economics Chulalongkorn University MBA, NIDA, Bangkok Certificate of Attendance DAP # 7/2004 and DCP # 167/2012 from IOD.	226,666 (0.71%)	Son of Mrs. Suvimol, Elder brother of Mrs.Pornpun	Feb. 2014 - Present 1990 - March.2012 1992 - Feb.2014 1984 - Feb.2014 1983 - Feb.2014	Managing Director, Asia Hotel Public Company Limited Managing Director , Asia Pattaya Hotel Co.,Ltd. Managing Director , Asia Airport Hotel Co.,Ltd. Director,Zeer Property Public Co.,Ltd. Assistant Managing Director, Asia Airport Hotel Co.,Ltd. Assistant Managing Director,Asia Hotel Public Company Limited Assistant Managing Director, Asia Pattaya Hotel Co.,Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Rental Area Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - parent company and related company Advisor - Travel Advisory				1988 - Present 1989 - Present 2003 - Present 2015 - Present 2012 - Present	Director, A.B.K. Enterprise Co.,Ltd. Director, Pamatoy Co., Ltd. Vice President, Thailand Hotel Standard Foundation Sub Committee Board Member, Thailand Convention & Exhibition Bureau Vice President, Tourism Council of Thailand	Holding Company Manufacture Tourism Tourism Tourism
2. Mrs.Pornpun Tanariyakul Authorized Director Executive Director Deputy Managing Director As director since year 2000 Age 58 years	Bachelor Degree in Accounting and MBA, Chulalongkorn University Certificate of Attendance DAP # 6/2003 from IOD.	3,572,775 (11.16%) Mrs.Pornpun = 3,472,375 shares Spouse=100,400 shares	Daughter of Mrs.Suvimol, younger sister of Mr.Surapong elder sister of Mrs.Oyeti	Feb.2014 - Present April.2000 - Present 1992 -Feb.2014 1988 - Feb.2014	Deputy Managing Director , ASIA Hotel Public Company Limited Deputy Managing Director , Asia Pattaya Hotel Co., Ltd. Deputy Managing Director , Asia Airport Hotel Co., Ltd. Director and Executive Director , ASIA Hotel Public Company Limited Asst. Managing Director,Asia Airport Hotel Co., Ltd. Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1988 - Present 2003 - Present 2014 - Present	Director, A.B.K. Enterprise Co.,Ltd. Managing Director , Pamatoy Co., Ltd. Director, Namseng Insurance Public Company Limited.	Holding Company Manufacture Insurance
3. Mrs. Oyetip Hayrabut Deputy to Managing Director Age 55 years	Bachelor Degree in Accounting Chulalongkorn University, MBA, Sul ross States University, U.S.A.	204,066 (0.64%)	Daughter of Mrs.Suvimol Younger Sister of Mr.Surapong and Mrs.Pornpun	Feb.2014 - Present 1Feb.2009 - Dec.2011 June.2004 - Present	Deputy to Managing Director, Asia Hotel Public Company Limited Acting General Manager , Asia Hotel Plc Co.,Ltd. Asst.to Managing Director , Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1989 - Present 1996 - Present	Director , Pamatoy Co., Ltd. Director, A.B.K. Enterprise Co.,Ltd.	Manufacture Holding Company

Management Team as at December 31, 2017 (continued)

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
4. Mr.Theerarith Techaruvichit Asst.to Managing Director Age 38 years	Bachelor Degree in Business Administration (BBA) Mahidol University International Colledge (MUIC)	-	Son of Mr. Amorn	March.2014 - Present Asst.to Managing Director, Asia Hotel Public Company Limited 2011 - Feb.2014 Asst.Director of Sales , Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year -none-					
5. Mr.Kriengsak Jumaree Hotel Manager Age 54 years	Bacheelor of Political Science Ramkhamhaeng University	-	-none-	Dec. 2011-Present Hotel Manager, Asia Hotel Public Company Limited Aug 2011 - Oct. 2011 General Manager, KOSA Hotel, Khon Kaen Oct. 2010- July 2011 General Manager,V-ONE Hotel, Nakornchasi	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year -none-					
6. Nominating in Process Director of Sale (Room)					
7. Miss Ganlayanee Roungrayabchai Director of Sales (Banquet) Age 46 years	Bachelor Degree in Marketing Ramkhamhaeng University	-	-none-	2014 - Present Director of Sales , Asia Hotel Public Company Limited 2013 Senior Sales Manager , Mandarin Hotel 2011 - 2013 Senior Sales Manager , Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year -none-					
8. Miss Somsri Tangtatpongsathorn Financial & Accounting Manager Age 49 years	Bachelor Degree in Accounting, Bangkok University	-	-none-	Jul 2005 - Present Financial & Accounting Manager , Asia Hotel Public Company Limited	Hotel & Rest.
Current position in other organization in previous year -none-					
9. Mrs.Sudjai Topol Acting Housekeeper Manager Age 63 years	High school Wat Sawadiwareesimaram School	6,666 (0.02%)	-none-	Jan 2014 - Present Acting Housekeeper Manager , Asia Hotel Public Co., Ltd. 2004 - Dec 2013 Senior Supervisor	Hotel & Rest.
Current position in other organization in previous year -none-					

Management Team as at December 31, 2017 (continued)
Attachment 1

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
10. Nominating in Process Front office Manager					
11. Mr.Suporn Srisutanyawong F&B Manager Age 51 years	Bachelor Degree in Communication Arts Sukothai Thammathirat Open University	-	-none-	Feb.2014 - Present Food and Beverage Manager, Asia Hotel Public Co., Ltd. 2010 - 2013 Director of Food and Beverage , Dusit Princess Korat Hotel	Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year -none-					
12. Miss Patcharanee Techaruvichit Asst. HR Manager Age 38 years	Master of Business Administration (HRM) Thammasat University	50,000 (0.16%)	Niece of Mr.Amorn	2007 - Present Asst. HR Manager , Asia Hotel Public Co., Ltd.	Hotel & Rest.
Current position in other organization in previous year -none-					
13. Miss Natcha Techaruvichit Public Relation Manager Age 37 years	Bachelor Degree : International Business Mgt. Mahidol University Master Degree in Marketing (MIM) Thammasart University	-	Daughter of Mr.Amorn	Aug 2004 - Present Public Relation Manager, Asia Hotel Public Co., Ltd.	Hotel & Rest.
Current position in other organization in previous year -none-					
14. Mr. Vaiyavuth Samakkarn Chief Security Age 60 years	Higher Education Bansomdejchaopraya Teacher Colledge	-	-none-	2009 - Present Chief Security , Asia Hotel Public Co., Ltd.	Hotel & Rest.
Current position in other organization in previous year -none-					
15. Mr. Chairat Thamvichit Chief Engineer Age 72 years	Patumwan Institute of Technology	-	-none-	1987 - Present Chief Engineer , Asia Hotel Public Co., Ltd.	Hotel & Rest.
Current position in other organization in previous year -none-					

Attachment 1

(Continued)

Details of Directors and Management

Name of Directors	Company Name	ASIA	Subsidiaries		
			AP	AA	ZP
1. Mr. Piyawudh	Senapoopitaksa	X			
2. Mr. Amorn	Techaruvichit	/	/, //	/, //	
3. Mr. Surapong	Techaruvichit	/, //	/, //	/, //	
4. Mrs. Suvimol	Techaruvichit	/	/	/	
5. Mr. Sombut	Pupipathirunkul	/			
6. Mr. Suwat	Dusitrojanawongse	/			
7. Mrs. Pornpun	Tanariyakul	/, //	/, //	/, //	
8. Dr. Chotima	Puasiri	/			
9. Pol.Maj.Gen Supchan	Manutham				X
10. Mr. Surapol	Techaruvichit				/, //
11. Mr. Tosapol	Vachiradaecha				/, //
12. AM Choomsak	Skulratana				/
13. Gen. Tawatchai	Boonsri				/
14. Mr.Anant	Gatepithaya				/
15. Mr. Somboon	Fusriboon				/
16. Mr. Grish	Attagrish				/
17. Mr. Surayuth	Panchavinin				/
18. Miss Aree	Sayasaevee				/, //
19. Mr.Ekachai	Pattaranutaporn				/, //
20. Mrs. Oyetip	Hayrabut	//, ///			
21. Mr. Theerarath	Techaruvichit	//, ///			
22. Mr. Kriengsak	Jumaree	///			
23. Miss Ganlayanee	Rounggrayabchai	///			
24. Mr.Suporn	Srisutanyawong	///			
25. Miss Patcharane	Techaruvichit	///			
26. Miss Somsri	Tangtatpongsathorn	///			
27. Miss Natcha	Techaruvichit	///			
28. Mrs.Sudjai	Topol	///			
29. Mr.Vaiyawuth	Samakkarn	///			
30. Mr.Chairat	Thamvichit	///			

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

Board of Director appointed Mr. Piyawudh Senapoopitaksa as new Chairman of Asia Hotel. effective 14 March 2018 onward

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

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www.asiahotel.co.th