

2016

ANNUAL REPORT



ASIA HOTEL GROUP

www.asiahotel.co.th

Bangkok-Pattaya-Airport-Cha am

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Message from Managing Director

First of all, I would like to express our sincere deepest condolences for the passing of His Majesty the King Bhumibol Adulyadej. For seven decades, His Majesty late King Bhumibol Adulyadej was Thailand's guiding light. His fortitude and devotion to human development were an inspiration to all. Asia Hotel Group has run business embracing his remarkable philosophy "Sufficient Economy". We aimed to follow in his footsteps and carry on his royal legacies.

In the final quarter of 2016, the government announced a 1-month nationwide mourning period as well as 1-year official mourning period. Nevertheless, Chinese "Zero-Dollar Tour" suppression was expected to decrease the number of visitors coming to the country. Unexpectedly, there were 32.5 million visitors come to Thailand which is 8.91% increase from the number of visitors in the previous year. The number of Chinese visitors grew strikingly, 10.34% to be exact. Extensively, The nation's revenue from tourism was 2.51 billion baht, 1.64 billion from international visitors and 0.86 billion baht from Thais visitors. Tourism satisfaction indicator grew from 82.8% in 2015 to 86.6% in 2016. The results showed a convincing growth in Thailand tourism economy.

In 2016, the total group revenue, made up of hotel and rental business, was 1,281.70 million baht which was 6.08% or 83.02 million baht lower than the total group revenue in 2015. The hotel revenue was 661.37 million baht, 91.66 million baht decreased in comparison with hotel revenue in 2015. Revenue from rental business was 620.33 million baht, 6.08 million baht increased from rental business revenue in 2015. The overall profit of company and the subsidiaries was 6.16 million baht (3.53 million baht belonged to the equity holders of the parent and it was 287.15 million lower than previous year. Moreover, in 2015, there was 209.36 million baht of a reversal of allowance for doubtful account and there was no such extra item in 2016.)

For rental business, revenue from Zeer Property Public Co., Ltd. and the subsidiaries, owning IT Zeer Rangsit, The Hub Shopping Center, AA Town Apartment, and Glendale Shopping Plaza in the US, showed a satisfied growth. Likewise, Zeer Property Public Co., Ltd. established a new company to develop the new mixed-use product in Chiang Mai, Thailand. The project is scheduled to open in April, 2017.

Moreover, in the last quarter of 2016, we proposed to participate in Thai-CAC (Thailand's Private Sector Collective Action Coalition Against Corruption) where result is underway. We communicated to the overall group calling for the acknowledgement and participation. "Green ASIA Hotel" is being carrying out in the purpose of natural resource conservation and local neighborhood community empowerment.

On behalf of ASIA Hotel Group, I aim to run the businesses efficiently and effectively for the sustainable steady growth. Our business far to present with a quality operational employee, decent clients, most importantly, valuable shareholders, I would to deeply thank you everyone who has supported the company all along.



Surapong Techaruvichit
Managing Director

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 สุพิพัฒน์หิรัญกุล
MR. SOMBUT PUPIPATHIRUNKUL
กรรมการ (กรรมการอิสระ)
DIRECTOR (INDEPENDENT DIRECTOR)



นายปิยะวุด เสนาภูพิทักษ์
MR. PIYAWUDH SENAPOOTAKSA
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 and a hotel 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 IT Shopping Center”. In 2015, 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. The new building is built connectedly with Zeer Rangsit. The other project is “AA-Town Apartment”, a residential project which comprised of 11 dormitory buildings, becomes apartments for worker groups at neighboring area are able to rent a room at reasonable price. The first building is launched and received a welcoming feedback of 100% occupancy.

In 2011, the subsidiary has expanded its business to United State of America, to run a shopping center business at Los Angeles. The major revenue from the investment is long-term rental fees from tenants. In the end of 2016, the subsidiary company also had an investment in land which is located in the heart of the Chiang Mai in order to develop a shopping mall and a hotel in the near future. This investment was operated by SPA HOTEL CO., LTD.

1.2 Important Changes and Developments

History of the Company and Subsidiaries: The Company has disclosed the history in 56-1 Form of 2016, subtitle 1.2 as shown in the website of the Company: www.asiahotel.co.th, www.sec.or.th, and www.set.or.th

Important Changes over the Past Year

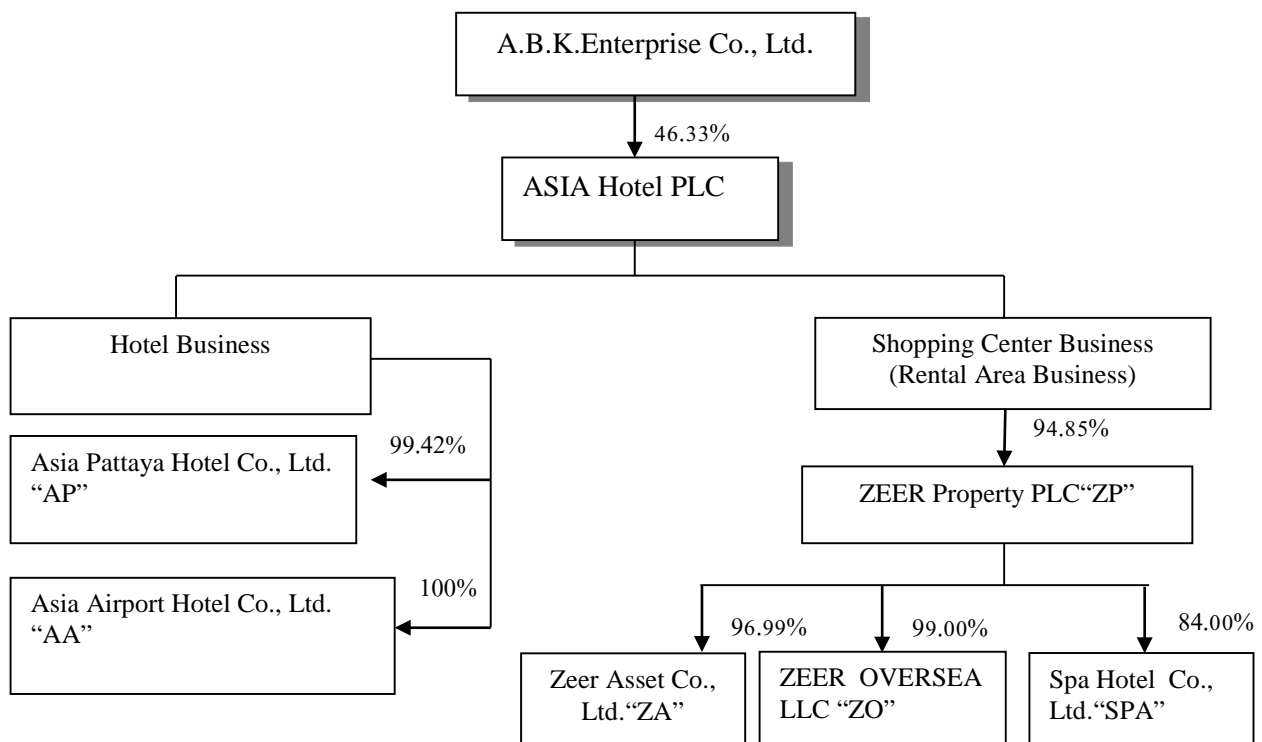
On the Board of Directors meeting no. 8/2016 held on August 11, 2016, the board of directors had the unanimous resolution that Asia Airport Hotel Company Limited (AA) and Zeer Property Public Company Limited (ZP), the subsidiary companies, to renew the lease contract with Asia Cha-am Hotel for extension of the contract period for another 3 years, November 2016 to October 2019. All of the properties are belonged to Zeer Property Public Company Limited (ZP). These properties are the 17-stories hotel building and 2 of the 4-stories buildings, totally 214 rooms for accommodation and 1 building for banquet rooms located in the front of the hotel. Asia Airport Hotel Co., Ltd. rents these properties which are used for running hotel business and it has been operated for 6 years from Zeer Property Public Company Limited.

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 and a hotel 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 the fourth quarter of 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 2016



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%

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

Due to the separation operation Policy, there were limitations of the operation. The Board of Directors of Asia Hotel Public Co., Ltd. (ASIA) and Zeer Property Public Company Limited (ZP) both agreed to revise the policy in the start of 2017 by cancelling this policy in February 2017. This policy will be proposed to the shareholder meeting 2017 in order to approve for the cancellation.

However, this policy was used throughout 2016.

Policy of Asia Hotel Group

(A) Definition

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

(B) Policies of Asia Hotel Group

1) Business Operation Policy

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

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

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

2) Transaction Policy

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

Policy of Zeer Group

(A) Definition

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

(B) Policies of Zeer Group

1) Business Operation Policy

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

2) Transaction Policy

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

In case of any one doesnot comply with the agreement mentioning above:

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

As a result, management had decided to cancel the separation operation Policy of Asia Hotel Group and Zeer Group since the end of 2016 and propose to the Board of Directors in February 2017 to propose to the Annual General Meeting of Shareholders 2017 to approve the cancellation of all related policies and practices.

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 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 594 rooms, the average room rate is between Baht1,600-3,500 and occupancy rate is between 43.98-77.39% in the year 2016.
- 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



Banquet Rooms



Hotel Accommodations



Asia Spa



Rio Grill Restaurant



Saigon Vietnamese Restaurant



The Great Wall

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 between Baht1,800-3,050 and occupancy rate is between 22.89%-84.57% in the year 2016.
- 2.2) Food and Beverage Service , Available for hotel customers and others in Thai and International Restaurant , bars, lounges and banquet rooms as follows:
 - 5 Restaurants and Coffee Shop, capacity 50 - 300 persons and Poolside Bar
 - 6 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 4 rooms with capacity 50-120 persons, 1 room with capacity 350 persons , 1 room with capacity 700 persons
- 2.3) Other Services consist of
 - Shop for rent
 - Beauty Salon
 - Health Club
 - Thai Massage – Foot Massage
 - Nine Hole Golf Course
 - Tennis Court
 - Swimming Pool
 - Internet Center
 - Transfer taxi between hotel and tourist attraction in Pattaya.



Asia Pattaya Hotel



Hotel Rooms



Cliff Top Restaurant



Hotel Accommodations

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 leasingcontract with Zeer Property Public Co., Ltd., which shall end byMarch 2039. Asia Airport Hotel provides three types of hotel and restaurant services as follows:

- 3.1) Accommodation with total 486 rooms, consist of
 - Hotel 402 rooms, average room rate is between Baht 1,000 - 2,850 and Occupancy rate is between 36.36% - 75.93% in the year 2016
 - Service Apartment of 84 rooms, Average rental rate is between Baht 23,230 - 29,099 per month Occupancy rate is between 15.66% - 26.51% in the year 2016.
- 3.2) Food and Beverage Service, available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:
 - 1 Restaurant and Coffee Shop, capacity at 50 - 200 persons
 - 6 Banquet Rooms with the different sizes, for service customers such as seminar of government department and the private company, there are 3 rooms with capacity 100-200 persons, 1 room with capacity of 150-300 persons, 1 room with capacity of 300-500 persons, 1 room with capacity of 500-800 persons
- 3.3) Other Services consist of
 - Beauty Salon
 - Swimming Pool
 - Fitness Room



Asia Airport Hotel



Rosy Court Restaurant
Rio Grill Restaurant



Serviced Apartment



Banquet Rooms

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, currently the lease is renewed to October 2016. 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 between Baht 1,300 - 2,600 and Occupancy rate is between 14.40% - 53.08% in 2016.
- 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 250-300 persons, 3 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 Hotel Cha-Am



Lobby and restaurants



Swimming Pools



Banquet and Function Rooms

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 ZeerRangsit Shopping Center, comprises of 3 main buildings, IT ZeerRangsit, The Hub Shopping Center, and AA Town Apartment, is located on Vipavadee-Rangsit Road, Km. 28 – 29, KhukhotSubdistrict, Lumlukka District, Pathumthani Province.

IT ZeerRangsit is a mixed-use development comprised of retail, hotel, and serviced apartment with the total area around 274,000 sq.m. The total gross leasable area is approximately 135,000 sq.m., which is 50% 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 2016, occupancy of IT Zeer Rangsit is approximately 72%. 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 early April, 2017.

The Hub Shopping Center, with the total area of 48,231 sq.m, is located next to IT ZeerRangsit. 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 2016, the occupancy rate is 80%.

AA Town Apartment is located at the back of IT ZeerRangsit, 1 7-stories building, with 130 rooms, 4,500/ 4,800/ 5,500 baht monthly, launched in November 2015. Occupancy rate is 100% as of 2016. 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.



Zeer Rangsit and The Hub, Patumthani, Thailand



The Hub, Patumthani, Thailand



AA Town Apartment, Patumthani, Thailand



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	2014		2015		2016	
			MB	%	MB	%	MB	%
- Hotel	Asia Hotel Public	Parent Company	169.21	13.97	221.67	16.25	207.07	16.16
- Restaurant	Company Limited	Listed Company	134.88	11.14	163.80	12.00	148.29	11.56
Total			304.09	25.11	385.47	28.25	385.36	27.72
- Hotel	Asia Pattaya Hotel	99.42%	84.16	6.95	85.99	6.30	65.89	5.14
- Restaurant	(Subsidiary Company)		49.95	4.12	53.75	3.94	38.97	3.04
Total			134.11	17.07	139.74	10.24	104.86	8.18
- Hotel	Asia Airport Hotel	Direct 100%	122.71	10.13	125.41	9.19	108.80	8.49
- Restaurant	(Subsidiary Company)		67.81	5.60	102.41	7.5	92.35	7.21
Total			190.52	15.73	227.82	16.69	201.15	15.70
Shopping Center Business (Rental Area Business)	Zeer Property Public Co., Ltd. (Subsidiary Company)	Direct 94.85%	582.53	48.09	611.68	44.82	620.33	48.40
Total			582.53	48.09	611.68	44.82	620.33	48.40
Grand Total			1,211.25	100.0	1,364.71	100.0	1,281.70	100.0

3. Risk Factors

3.1 Risks from External Factors

- ***Risk from Terrorism in the Country and abroad.***

As the bombing situation at Ratchaprasong in 2015, the tourism and hotel business was more active about the safety in public areas, at the shopping malls and at the tourist attraction in 2016. These were affected the image of society and economy very much.

Therefore, risk of unrest that occurred in the country has directly impacted on the income of Asia Hotel Group.

Not only domestic unrest, but also international terrorism has a major impact to the perspective and decision-making process of travelers.

- ***Risk from Global Economic Recession***

Major customers of the hotel from Europe. The subprime crisis of United States of America has had an impact on Europe and the world economy, resulted in a decline on European guests for many years. The Asia Hotel Group managed to expand target customer to focus on Asian market. Therefore, there were Chinese, Indonesian, and Israel customers in 2016.

According to the company's changing of customer base to Asian market in 2015, the company has to reduce the average room selling price, even though an occupancy rate is higher.

- ***Risk from the Government Policy***

Apparently, in Thailand, the gross domestic income mainly relies on tourism. The Government should encourage the activities or policies that support the tourism. If the Government doesn't encourage the activities or policies that consistent with the business, the risks can be occurred. However, Thai government has always engaged tourism to be part of their policy such as

- Promoting domestic tourism by allowing Thai people who travelled in Thailand in the final period of 2016 to reduce the personal income tax up to 15,000 Baht but there must be a receipt from the VAT registered company.
- Promoting Thailand Tourism by establishing visa policy to gain more travelers such as expanding the long-term period visa from 1 year to 10 years, 1,000 Baht of visa fee exemption for 3 months, decreasing the fee of visa on arrival for foreigners from 19 countries from 2,000 Baht to 1,000 Baht and maintaining all the tourist attractions to be beautiful and safe.
- Eliminating Zero-Dollar Tour in Thailand which affects the number of Chinese tourists visiting Thailand, but it would be beneficial for Thai business in the long term.

3.2 Risk from Business Operation

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

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

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

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

4. General Information and Parties of References

Company : ASIA HOTEL PUBLIC COMPANY LIMITED (ASIA)

Business Type 2 major business: Hotel Business and 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 withpar value of Baht 10 each

Shares Registrar

Name : Thailand Securities Depository Co., Ltd.

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

Telephone No. : (662)-359-1200-01

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. RuangsakYongpatanajitara, PattanajitaraLaw Office,
802/902 Moo 12 Kukot, Lumlukka, Pathumthani 12130

Telephone No. : (662)536-5273

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

	Address	Type of Business	Type of Share	Issued and paid-up (MB)	No. of Shares Held	% of Shares Held
Asia Pattaya Hotel Co., Ltd. "AP" (Subsidiary Company)	352 Moo 2 Kao 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. KukotLumlukkaPathumthani	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. KukotLumlukkaPathumthani	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	99.90%
Spa Hotel Co., Ltd. "SPA" (Subsidiary Company) By ZP	99 Moo 8 Paholyothin Rd. KukotLumlukkaPathumthani	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%, 99.90% 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 (3 May 2016)

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. WichaiArunkamol Sri	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 in Techaruvichit Family holds direct ASIA shares totaling 5,722,402 shares or 17.88%

As at December 31, 2016 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 2015
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
Total Board of Director hold Asia stock	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 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
1 Jan - 31 Dec 2013	2.00	16 May 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*

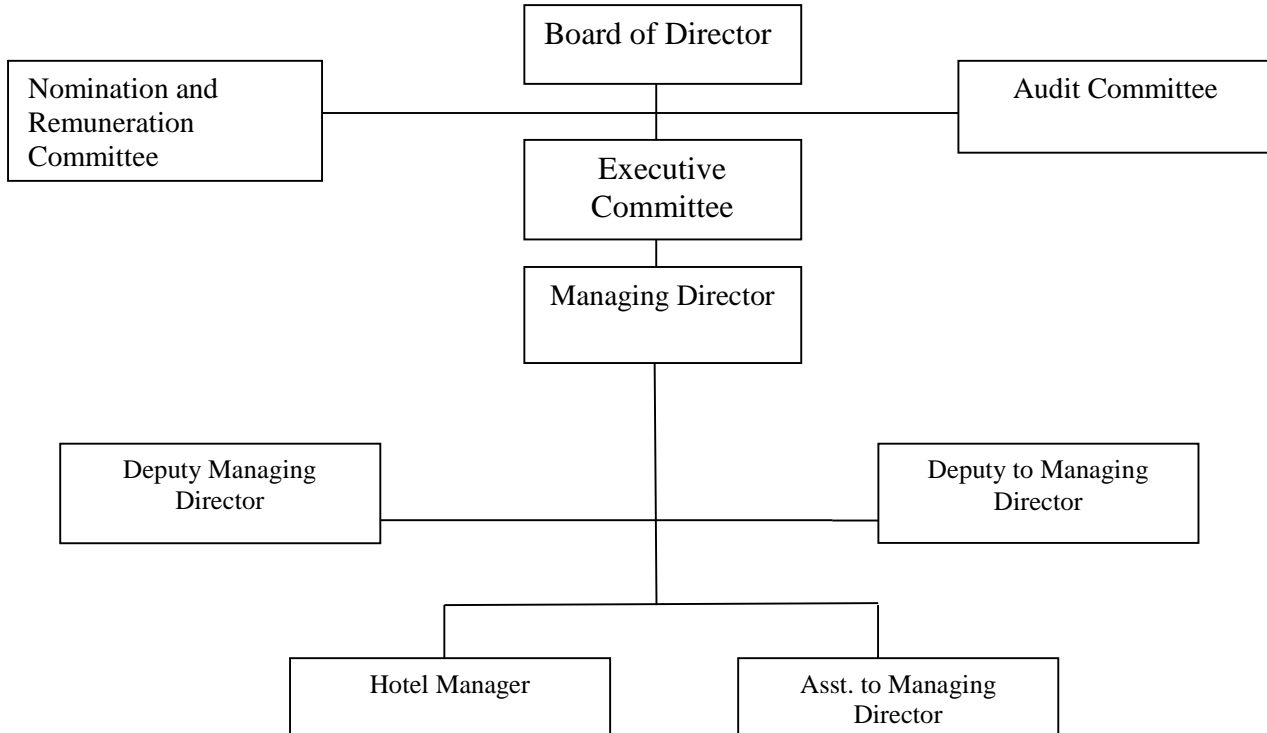
: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation.

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 2016



7.1 Board of Directors presently consists of 8 members

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

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

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

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

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

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

- (16) The Board Meeting shall be at least 1 time per 3 months with at least 50% of attendants
- (17) Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
- (18) Board prepare the annual report of conflict of interest of director and related person or changing item in the report within 30 days , this report will be kept by the company secretary

- ❖ The Company's structure of directors comprises of 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 2016, there are totally 12 committees' meeting and the participants are as follows:

Name	Position	Tenure	Participate /Number of meeting
1.Nominating in Process	Chairman		
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.2014- APR. 2017	12/12
6.Mr.Piyawudh Senapoopitaksa	Director, ID, AC and NRC	APR.2014- APR. 2017	12/12
7.Mr.Sombut Pupipathirunkul	Director, ID, AC and NRC	APR.2015- APR. 2018	11/12
8.Mr. Suwat Dusitrojanawongse	Director, ID, AC and NRC	APR.2016- APR. 2019	12/12
9.Mrs.Chotima Puasiri	Director, ID, AC	APR.2015- APR. 2018	12/12

Remark: *Chairman Nominating in process

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, 2016

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 2016

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 2016, 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 2016, the shareholders approved of the increase of 2016 remuneration because there was no adjust for a long time.

as follows:

Remunerations	Year 2016	Year 2015
Board of Director		
1. Bonus of Board of Director	920,000 Baht	800,000 Baht
2. Meeting Allowance per meeting		
- Chairman of Board of Director	17,000 Baht	15,000 Baht
- Vice Chairman	13,000 Baht	11,250 Baht
- Director	8,500 Baht /person	7,500 Baht /person
Remuneration of Committee		
Remuneration of Audit Committee : the audit committee receives the remuneration annually		
-Chairman of Audit Committee	52,000 Bahtper year	45,000 Baht per year
- Audit Committee member	35,000 Baht/ person	30,000 Baht /person
Remuneration of Nomination and Remuneration committee : their remuneration was meeting allowance		
-Chairman of Nomination and Remuneration committee	13,000 Baht/meeting	11,250 Baht/meeting
-Nomination and Remuneration Committee member	8,500 Baht /person/meeting	7,500 Baht /person/meeting

- Pay Bonus to Board of Directors at a total of Baht 920,000 for operation of year 2015

- If at any time, director is not available to attend the meeting, the meeting allowance will not be given. The director shall not receive shares, debentures or rights in receipt/purchase of extra shares from the company anymore.

Remuneration of Audit Committee, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval with annual remuneration to be paid in May yearly, so in the year 2016 the audit committee had received remuneration as new rate.

Remuneration of Nomination and Remuneration Committee, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval. Their remuneration was approved at the rate to be given at each meeting, therefore, this committee had received the remuneration in February 2016 at the rate of last year.

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 2016, 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, 2016

- a) Total remuneration for 8 directors: Bonus and meeting allowance # Baht 2,139,250.00
 b) Total remuneration for 6 executives and management
 Bonus and meeting allowance ,salary Baht 6,827,760.00

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 2016

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	149,000	54,000	145,264	-	-	348,264
2.Mrs.Suvimol Techaruvichit	81,000	30,000	96,842	-	-	207,842
3..Mr.Surapong Techaruvichit	98,000	36,000	96,842	-	-	230,842
4.Mrs.Pornpun Tanariyakul	98,000	36,000	96,842	-	-	230,842
5.Mr.Piyawudh Senapoopitaksa	98,000	36,000*	96,842	35,000	7,500	273,342
6.Mr.Sombut Pupipathirunkul	89,500	16,500*	96,842	35,000	11,250	249,092
7.Mr. SuwatDusitrojanawongse	98,000	18,000*	96,842	52,000	7,500	272,342
8.Mrs.Chotima Puasiri	98,000	-	96,842	35,000	-	229,842

Remarks * 3 directors have appointed as consult of Managing Director of subsidiaries in year 2016.

(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 229,277.00

7.5 Employee

In 31 December 2016, the company (Asia Bangkok) has a total of 579 employees.

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

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

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

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

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

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

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

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

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

Unit:Baht

	Year 2016	Year 2015	Year 2014
Salary	134,000,553.00	131,788,875.00	121,966,507.00
Bonus	6,220,276.00	3,971,026.00	2,982,117.00
Provident Fund	3,709,082.00	3,431,074.00	3,390,149.00

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 198,567,911.99 Baht. Details are as follows:

Year 2016	Asia Pattaya Co., Ltd. (AP)	Asia Airport Co., Ltd. (AA)	Zeer Property PLC (ZP)
Total Employee (person)	247	265	439
Employee's Remuneration (Salary and Bonus) : Baht	43,764,251.00	62,610,464.87	87,992,097.00
Provident Fund : Baht	1,034,935.00	1,540,455.00	1,625,709.12

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 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 2016 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 October 2016 Company considered giving chance to the minor shareholders to propose the meeting agenda in advance including nominating qualified persons to be director according to specified criteria. Forms can be downloaded from the company website under topic Investor Relation. Complete forms to be submitted at the end of fiscal year, within 31 December 2016 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 2017.
 Company has not had a procedure or a policy to send related questions prior to the meeting.
 On 31 December 2016, no one of shareholder propose any agenda and the person who nominating qualified persons to be director for annual general meeting for the year 2017.
7. The Company provided sufficient information of each meeting agenda in invitation letter for considering.
8. In 2016, 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. It was expected to be approved to join this project soon.

All the policies and its details have already been uploaded to the company website. Also, all the stakeholders have already known.

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 Senapooitaks, Mr. Sombut Pupipathirunkul, Mr. Suwat Dusitrojjanawongse and Dr. Chotima Puasiri)

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

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

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

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

8.2 Committee

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

- Audit Committee

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

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

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

Audit committee reached its full 3-year term in May 2015. Thus, the nomination and remuneration committee considered to requalify the previous audit committee. On the Board of Directors meeting no.5/2015, which held on May 14th 2015, Board of Directors has reappointed audit committee for another term.

Audit Committee as at 31 December 2016

1. Mr. Suwat	Dusitrojjanawogse	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. SombutPupipathirunkul and Dr. ChotimaPuasiri, 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 2016

Name	Position	Participate /Number of meeting
1.Mr. Suwat Dusitrojanawongse	Chairman of Audit Committee	10/10
2.Mr.Piyawudh Senapoopitaksa	Audit Committee member	10/10
3.Mr.Sombut Pupipathirunkul	Audit Committee member	9/10
4.Dr.Chotima Puasiri	Audit Committee member	10/10

- Nomination and Remuneration Committee

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

Nomination and Remuneration Committee reached its full 3-year term in January 2016. On the Board of Directors meeting no.1/2016, which held on January 13th, 2016. Board of Directors has reappointed Nomination and Remuneration Committee for another following term.

Nomination and Remuneration Committees as at 31 December 2016

1. Mr. Sombut	Pupipathirunkul	Chairman (Independent Director)
2. Mr. Piyawudh	Senapoopitaksa	Member (Independent Director)
3. Mr. Suwat	Dusitrojanawongse	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 2012 the above committee held two meetings and submitted a report to the Board of Director on the suitable persons nominated for committee. Committee remuneration to be concluded and proposed to the Board of Director's meeting before proposing to the shareholders' meeting for approval.

Meeting participation of Nomination and Remuneration in the year 2016Table

Name	Position	Participate /Number of meeting
1. Mr.SombutPupipathirunkul	Chairman of Nomination & Remuneration Committee	1/1
2.Mr.PiyawudhSenapoopitaksa	Nomination & Remuneration Committee Member	1/1
3. Mr. SuwatDusitrojanawongs	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.

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 2017 Ordinary Shareholder Meeting within December 2016. The Secretary of Board of Directors will compile individual names proposed to Nominating Committee for verifying and proposing to Board of Directors for consideration before proposing to the Shareholder Meeting for appointment approval.

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

According to Regulations of the company no. 16, the company committee has number of member at least 9 persons but not more than 15 persons. At present the committee consist of 8 members of company committee (nominating in process as new chairman of the board), and 4 qualified independents, the proportion is more than 1/3 of the committee, to propose the list of persons who are fully qualified as specified by law.

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

Except the Managing Director, the company prepared a succession plan for every level operation management. Because of the nature of hotel business, head of every department is very important.

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

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

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

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

8.4 Subsidiary company governance

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

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

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

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

2. 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 ...5,175,000.00....Baht.

Unit: Baht

<u>Name</u>	<u>Audit Fee year 2016</u>
Asia Hotel Public Co., Ltd.	1,450,000.00
<u>Subsidiaries</u>	
1. Asia Pattaya Hotel Co., Ltd.	970,000.00
2. Asia Airport Hotel Co., Ltd.	855,000.00
3. Zeer Property Public Co. Ltd.	1,550,000.00
4. Zeer Asset Co., Ltd.	90,000.00
5. ZEER OVERSEA LLC	<u>260,000.00</u>
Total Audit Fee	<u>5,175,000.00</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". The result will be updated soon.

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

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

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

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

- 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 16 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 2016).
- 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 The company has participated in Green Leaf Project to develop the efficiency of the energy usage and also to develop the tourism and hotel business environment. The aim is to focus on the energy and resource usage with realization.

6.6 The company has established “Green ASIA Hotel” project since 2013 supported by GREENER BUSINESS ASIA (ILO/ILO Japan). This project is a main activity of the corporate social responsibility (CSR in process) and is affecting societies and environments if the company continues the project incessantly. At the present Asia hotel did not join in abovedproject but 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.

Moreover, the Company always reminds of the safety of all the employees. In 2016, there were 7 cases which was less than the accidents in 2015, 9 cases. Mostly, it was because they slipped and failed, especially in the kitchen. Now, the Company had already renovated the floor of 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 17 January 2016, the company invited neighbors to join food offering to 108 monks. The activity is scheduled annually and it has been done for over 9 consecutive years.

7.2 On 8 January 2016, 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 8 February 2016 and 13 September 2016, 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 2016, 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 6 November 2016, the executives, employees and their families have participated in Katin dedication at Kao KaewVoravihan temple (Phra Aramluang) which is at Saraburi province to promote Buddhism religion. The company also tries to arrange this activity with its subsidiaries every year.

7.6 In November, 2016, the decrease of the price in rice was terribly. The hotel had a policy to help the farmers from Sagad, Sangkhla District, Surin Province by being a distributor. The rice was sold at Baht 32 per kilograms and was packed 5 kilograms each, in total it costs Baht 160 per pack. This was held on November 13-14, 2016. The boards and the staff helped selling the rice at the front of the hotel. There were many people who are interested in it and made an order in advance. The total volume was 31,625 kilograms or Baht 1,000,480.

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, DusitBangkok

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 March, 31 2015. 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.

Currently these two program are still collaborating with ASIA Hotel.

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.

On 17 January 2016, the company invited neighbors to join food offering to 108 monks. The activity is scheduled annually and it has been done for over 9 consecutive years.



On 8 February 2016 and 13 September 2016, The blood donation activity at Siriraj Hospital.



On 6 November 2016, Katin dedication at Kao Kaew Voravihan temple (Phra Aramluang), Saraburi Province



On 8 January 2016, The company joined activities with the community and schools nearby – Sammachevasil School and Kingpetch School on the National Children’s Day



On 13-14 November, 2016, The Company help the farmers, as Government Policy help farmers from Sagad, Sangkhla District, Surin Province at the front of hotel.



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 committee in order to supervise all the related risk factors. The committee are comprised of the boards, the chief divisions and the chief departments. 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 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 2016.

In the Year 2016, 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. 2/2560 that held on 24 February 2017. 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 everly 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 2016, 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 interest payable

Value (Million Baht) Baht 53.70 Million for the year 2015
Baht 60.95 Million for the year 2016

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 interest payable

Value (Million Baht) Baht 200.87 Million for the year 2015
Baht 191.17 Million for the year 2016

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 2015
Baht 1.20 Million for the year 2016

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 2 members on the board of directors of ASIA, AA, AP and hold shares in the ASIA, NSI (Mrs.PornpunTanariyakul and Mrs.Chotima Puasiri)

Description Made property risk insurance with the All Risk Insurance and Public Liability Insurance. The value is calculated as premium.
In year 2016, 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 1.79 million for ASIA Amount Insured: Baht 1,850.0 million
AA = Baht 1.21 million for AA, Amount Insured: Baht 1,316.0 million
AP = Baht 0.70 million for AP, Amount Insured: Baht 750.0 million
ZP = Baht 5.22 million for ZP, Amount Insured: Baht 5,320.0 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 9.80million for the year 2015
Baht 10.61 million for the year 2016

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 2019by 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 2015
Baht 390 Million as the end year 2016

Importance and Reasons AA has leased some areas of G floor, the 6th floor and the 9th floor and entire area of the 10th -17thfloor, with a total area of39,380 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 ValuersAssociation (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 1.64 Million for the year 2015
 Baht 1.72 Million for the year 2016
Necessity and Rationality ZP rented the area on 8th floor with area 520.4 square meters with a 3-year contract from 1 July 2012 to 30 June 2015 and this contract is extended for 3 years from 1 July 2015 to 30 June 2018 at 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 1.28 Million for the year 2015
 Baht 1.41 Million for the year 2016
Necessity and Rationality ZP rented 6th floor area from AA with 3 years contract from January 1st, 2013 to December 31st, 2015. This contract is extended for 3 years from 1 January 2016 to 31 December 2018 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 2.53 Million for the year 2015
 Baht 2.70 Million for the year 2016
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 Baht 210,618.- for the first year and each higher 7% for the second and third year.

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) Baht 14.68 Million for the year 2015
 Baht 18.69 Million for the year 2016
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 Cha-am 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 0.63 Million for the year 2015
 Baht 0.69 Million for the year 2016
Necessity and Rationality AA rented parking area from ZP for the convenience of hotel clients with 3 year contract from March 1st, 2016 to February 28th, 2019 at the rate of Baht 58,462.- per month for the 1st year, 64,308 baht/month for the 2nd year and 70,739 baht/month for the 3rd 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 0.75 Million for the year 2015
 Baht 0.83 Million for the year 2016

Necessity and Rationality AA uses the parking management service from ZP with 3 years contract period from June 1st, 2014 to May 31st, 2017 at the rate of 59,320 baht/month for the 1st year, 65,250 baht/month for the 2nd year and 71,770 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 2015
 Baht 22.34 Million for the year 2016

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 32 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 2015 to guarantee for credit line
 Baht 1,130 Million for the year 2016 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>2016</u>	<u>2015</u>	<u>2014</u>
Income from hotel business	661.37	753.03	628.72
Rental and Service Income	620.33	611.68	582.53
Total Revenues	1,281.70	1,364.72	1,211.25
Gross Profit	359.52	444.98	458.93
Other Income	82.74	88.69	114.87
Reversal of provision for doubtful-net	(2.56)	209.36	74.55
Earning before interest and tax- EBIT	134.84	440.87	408.76
Net Profit (Loss) (Equity holder of the Parent)	3.53	290.68	200.03
Net profit (loss) per shares-EPS	0.11	9.08	6.25
Summary Status			
Total Assets	9,158.20	9,113.72	8,483.34
Total Liabilities	3,624.96	3,638.41	3,745.99
Shareholders' Equity	5,533.24	5,475.31	4,737.35

12.2 Financial Ratio

Financial Ratios of Asia Hotel Public Company Limited and its Subsidiaries

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Gross Profit Margin(%)	28.05	32.61	37.89
Net Profit (loss) Margin(%)	0.26	20.00	15.08
Return on Assets (%)	0.04	3.30	2.45
Return on Equities (%)	0.07	5.74	4.27
Debt on Equity –D/E (times)	0.66	0.66	0.79
Book Value per share (Baht)	172.91	171.10	147.45
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 2016, the company and subsidiaries had total revenue of 1,281.70 million baht (in the year 2015 had total revenue of 1,364.72 million baht), a decrease of 83.02 million baht, or 6.1% from last year due to in the 3rd quarter of 2016, the consequences from “Zero-Dollar Tour” from Chinese tourists and the passing away of H.M. King Bhumibol Adulyadej significantly stroke the hotel business throughout the country. The government announced an official one-year mourning period, including an initial 30-days of civic acknowledgement. The hotel business of Asia Hotel Group was inevitably affected from the unexpected situations. However, the company and subsidiaries had revenue from hotel business of 661.37 million baht, decreased of 91.66 or 12.2% from last year and revenue from rental and service of 620.33 million baht, in the year 2015 had revenue of 611.69 million baht, increased from last year 8.64 million baht or 1.4%. The company and its subsidiaries had total gross profit 359.52 million baht, decrease from the previous year by 85.46 million baht or 19.2% lower, and had net profit (the net worth of the parent company) amount to 3.53 million baht, decreased from last year 287.16 million baht, lower 98.79%

Overall picture of Revenue and gross profit from operating result in 2016

	Revenue				Cost				Gross Profit			
	2016	2015	Increase (decrease)	%	2016	2015	Increase (decrease)	%	2016		2015	
Hotel Revenue												
Room	400.08	433.08	(33.00)	-7.6	242.87	260.29	(17.42)	-6.7	157.21	39.3%	172.79	39.9%
F&B	261.29	319.95	(58.66)	-18.3	223.47	231.32	(7.85)	-3.4	37.82	14.5%	88.63	27.7%
	661.37	753.03	(91.66)	-12.2	466.34	491.61	(25.27)	-5.1	195.03	29.5%	261.42	34.7%
Rent&Service Revenue												
Domestic	602.69	592.32	10.37	1.8	446.89	419.36	27.53	6.6	155.80	25.9%	172.96	29.2%
Overseas	17.64	19.37	(1.73)	-8.9	8.95	8.77	0.18	2.1	8.69	49.3%	10.60	54.7%
	620.33	611.69	8.64	1.4	455.84	428.13	27.71	6.5	164.49	26.5%	183.56	30.0%
TOTAL	1281.70	1,364.72	(83.02)	-6.1	922.18	919.74	2.44	0.3	359.52	28.1%	444.98	32.6%

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had total revenue of 620.33 million baht in the year 2016, an increase of 8.64 million baht or 1.4% from last year, caused by opening new apartment project “AA-Town” 130 rooms in last quarter of year 2014 and new shopping center project “The Hub” which was opened in the mid year 2015.

2. Operation results and profitability

In an analysis of the operation results for 2016 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 2016 in the amount of 661.37 million baht, a decrease from the previous year by 91.66 million baht or 12.2% lower. 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	
	2016	2015	2016	2015	2016	2015
Revenue						
Revenue from hotel business	400.08	433.08	261.29	319.95	661.37	753.03
Proportion of room : F&B	60.5%	57.5%	39.5%	42.5%	100.0%	100.0%
Cost of sale						
Cost ratio (Cost of Sale/ Revenue)	242.87	260.29	223.47	231.32	466.34	491.61
	60.7%	60.1%	85.5%	72.3%	70.5%	65.3%
Gross Profit						
GP margin (Gross profit/Revenue)	157.21	172.79	37.82	88.63	195.03	261.42
	39.3%	39.9%	14.5%	27.7%	29.5%	34.7%

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 2016 totaled 400.08 million baht, a decrease from the previous year by 33 million, or 7.6% lower. It was resulted from all the hotels had decreased occupancy rate with the average occupancy rate of four hotels in 2016 equaled to 55.57%. While the previous year had the average rate of occupancy equaled to 66.22%. The Asia Hotel, Bangkok had the highest occupancy rate among four hotels. While the hotel with the least occupancy in 2016 was in Asia Hotel Cha-am due to its last opening, so it takes some time to build up the customer base.

However, the average room rate of the four hotels in 2016 increased from the previous year with the average room rate in 2016 equaled to 1,285.57 baht. While in the previous year had the average room rate equaled to 1,253.43 baht as follow:

The average occupancy and the average room rate of hotel business

Average Occupancy	2016	2015	Increased/(decreased)
Asia Hotel Bangkok	62.13%	72.52%	-10.39%
Asia Pattaya Hotel	54.06%	74.05%	-19.99%
Asia Airport Hotel	58.47%	65.86%	-7.39%
Asia Cha-am Hotel	34.08%	38.22%	-4.14%

Average Room Rate	2016	2015	Increased/(decreased)
Asia Hotel Bangkok	1,560	1,440	120
Asia Pattaya Hotel	1,170	1,120	50
Asia Airport Hotel	1,060	1,170	(110)
Asia Cha-am Hotel	950	990	(40)

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 2016 it had the revenue from the serviced apartments was 5.11 million, or about 6.04% 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 2016 amounted to 261.29 million baht, decreased from the previous year in the amount of 58.66 million baht, or 18.3% lower. They had the ratio of income from the room compare to food and beverage in 2016 was 60.5 : 39.5 which is nearly the same thing in 2015, or 57.5 : 42.5

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 a decline in the food and beverage

segment in 2016 due to decreasing in room income. Income from the banquets usually depended on a company's marketing to have customers of a meeting, seminar or banquet. In 2016 income from banquets has decreased from 2015 in the amount of 21.18 million baht or 14.0% lower.

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 2016. The company and its subsidiaries had income from rent and service amounted to 620.33 million baht, increased from the previous year by 8.64 million baht, or 1.4% higher.

Other Income

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

Details on other incomes	2016		2015		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Health club and car parking	5.23	6.31	5.26	5.93	(0.03)	- 0.6
Rental, Service and Electricity	55.90	60.19	53.38	60.19	2.52	4.7
Gain on Exchange rate	0.72	7.67	6.80	7.67	(6.08)	-89.4
Gain from sale of assets	0.17	0.25	0.22	0.25	(0.05)	-22.7
Income on insurance compensation	0.22	4.45	3.95	4.45	(3.73)	100.0
Others	20.50	21.51	19.08	21.51	1.42	7.4
Total	82.74	100.00	88.69	100.00	(5.95)	-6.7

In 2016 the company and its subsidiaries had other incomes totaling 82.74 million baht, decreased from the previous year amount 5.95 million baht or 6.7% lower due to the 2015 subsidiary company had received income on insurance compensation of fire insurance and other compensation at the amount of 3.95 million baht and affected from exchange rate.

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 2016 the company and its subsidiaries has a cost of sale and service totaled for 922.18 million baht, increased from the previous year by 2.44 million baht, or 0.3% higher, due to total income of the company and its subsidiaries has decreased, but the cost of sales increased at a rate higher than the rate of decrease of income which is 6.1%, the gross profit margin is 28.1% in 2016 and 32.6% in 2015.

Cost of sale and service	Room		Food & beverages		Rent and service		Total Hotel Business	
	2016	2015	2016	2015	2016	2015	2016	2015
(Unit: Million baht)								
Cost of sale	242.87	260.29	223.41	231.32	455.84	428.13	922.18	919.74
Cost Ratio	60.7%	60.1%	85.5%	72.3%	73.5%	70.0%	71.9%	67.4%
Gross Profit	157.21	172.79	37.82	88.63	164.49	183.56	359.52	444.98
GP Margin	39.3%	39.9%	14.5%	27.7%	26.5%	30.0%	28.1%	32.6%

In 2016 and 2015 the company and its subsidiaries has the cost ratio and Gross Profit Margin was nearly the same ratio which the year 2016 and 2015 equaled 71.9% and 67.4% respectively. The company has gross profit margin in 2016 for 28.1%, while the previous year had the gross profit of 32.6%. The cost of sale and service can be classified as following:

Cost of room sale

In 2016 the company and its subsidiaries had the cost of room sale of 242.87 million baht, decreased from the previous year by 17.42 million baht, or 6.69% while income from room in 2016 was decline to equaled 7.62% from last year, it is resulting gross profit margin of room revenue lower, with the cost ratio for room for 2016 and 2015 equaled to 60.7% and 60.1%. Gross Profit Margin for 2016 and 2015 equal to 39.3% and 39.9% respectively.

a) Cost of food sale and beverages

In 2016 the company and its subsidiaries had the cost of food and beverage sale of 261.29 million baht, or decreased by 58.66 million baht, or 5.54% increase from the previous year. They had the ratio of the cost of food and beverage sale for 2015 and 2014 equaled to 63.0% and 76.0% and the gross profit margin for 2015 and 2014 equaled to 37.0% and 24.0% respectively. The cost ratio of food and beverage sale decreased in 2015, comparing to 2014, is because an adjustment in the sale price, thus yields more gross profit.

b) Cost of rental and service

In 2016 the company and its subsidiaries earned the cost of rent and service at 455.84 million baht, or increased by 27.71 million baht, or 6.47% higher from the previous year due to depreciation cost and operations cost. While income from rent and service was higher by 8.64 million baht or 1.41% so the gross profit margin for rental and service income is lower. The Cost ratio for 2016 and 2015 equaled to 73.5% and 70.0%, and the gross profit margin for 2016 and 2015 equaled to 26.5% and 30.0% respectively.

Expenses on the sale, administration and others

In 2016 the company and its subsidiaries incurred the expense on sale and service and other expenses totaled 307.42 million baht, increased from the last year by 214.63 million baht, or 231% higher, which resulted from the administrative expense from the operations increased and the reversal of provision for doubtful debt-net from provision for doubtful debt in 2015. 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)	2016	2015	Increase (decrease)	
			Amount	%
Selling expense	67.85	84.80	(16.95)	-19.99
Administrative expense	218.02	199.58	18.44	9.24
Management benefit expense	15.69	14.52	1.17	8.06
Directors' remuneration	3.30	3.25	0.05	1.54
Reversal of provision for doubtful debt	2.56	(209.36)	211.92	-101.22
Doubtful debt	-	-	-	-
Loss on guarantee of other company	-	-	-	-
Total Other Expense	307.42	165.04	214.63	231.31

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

The remaining accrued interest of Baht 471.84 million as follows :

- The repayment year cover 15 years from January 1, 2001 with the first 3 years grace year. The first repayment started on the last operating date of December 2004.
- A.B.K. Enterprise Co., Ltd which is the Company's interest receivable submitted letter of guarantee issued by financial institution to be collateral of its outstanding debt. During the year 2015, the Company has reversed provision for doubtful debt on interest receivable in the amount of Baht 209 million, due to the Company has received the entire amount from the debtor.

Profit before the financial cost and the income tax

In 2016, the company and its subsidiaries had the earnings before interest and taxes (EBIT) of 134.84 million baht, decreased from the previous year by 306.04 million baht, or 69.42% lower. It resulted from decreased profit margin of operation and reversal of provision for doubtful debt in 2015 was 209.36 million baht, therefore in the year 2016, the earnings before interest and taxes decreased from last year.

Financial cost

In 2016 the company and its subsidiaries had the financial cost amounted to 113.34 million baht, increased from the previous year by 0.08 million baht, or up by 0.07%, due to the subsidiary had loaned from financial institution to invest “The Hub Shopping Center” project and loan repayment on contract.

Earnings before Income Tax and Income Tax Expense

In 2016 the company and its subsidiaries had the earning before income tax totaled 21.5 million baht, or decreased from the previous year of 306.12 million baht, or 93.44% lower, and the company incurred a tax expense in 2016 totaled 15.34 million baht, decreased from the previous year by 17.01 million, or 452.58% lower.

Net Profit

Ratio of profitability

		<u>2016</u>	<u>2015</u>	<u>2014</u>
Net profit margin	percentage	0.26	20.00	15.08
Return on equity (ROE)	percentage	0.07	5.74	4.27
Return on assets (ROA)	percentage	0.04	3.30	2.45

In 2016 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 3.53 million baht, decreased from the previous year by 287.15 million baht, or 98.79% and earning per share equaled to 0.11 baht (in 2015 earning per share equaled to 9.08 baht). The company had the net profit margin equaled to 0.26%, which lower from the previous years (2015 and 2014 had the net profit margin equaled to 20.0% and 15.08% respectively). It shows they had profitability increased continuously with the return on equity (ROE) in 2016 equaled to 0.07% and the return on assets (ROA) equaled to 0.04%, lower from the previous years as well.

3. Capability of Asset Management

The change in assets, liabilities, and shareholders' equity in 31 December 2016 compared to 31 December 2015

	31/12/2016	31/12/2015	Increased	Portion
Total Assets	9,158.20	9,113.72	44.48	0.49%
Total Liabilities	3,624.96	3,638.41	(13.45)	-0.37 %
Total shareholders' equity	5,533.24	5,475.31	57.93	1.06%

Structure of the assets

As of 31 December 2016 the company and its subsidiaries had the consolidated assets amounted to 9,158.2 million baht, increased over the previous year by 44.48 million baht, or 0.49% 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 228.15 million baht, decreased from last year by 21.36 million baht, or 8.56% lower. Since the company had cash and cash equivalents

decreased from the last year by 24.02 million baht, consisted of cash at bank decrease by 23.67 million baht, cash on hand increased by 0.27 million baht and non-clearing cheques decreased by 0.62 million baht.

The company and its subsidiaries had non-current assets totaled 8,930.05 million baht, increased over the previous year by 65.84 million baht, or 0.74% higher due to property, plant and equipment was increased amount 39.06 million baht and the deposit for purchase of asset was increased amount 24 million baht.

The structure of the assets of the company and its subsidiaries on 31 December 2016 compared with 2015 can be summarized as follows:

List of Assets	2016		2015		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets						
Cash and the equivalent	79.99	0.87	104.01	1.14	(24.02)	-23.09
Temporary investment	0.68	0.01	0.68	0.01	-	-
Trade debtors and other debtors	105.00	1.15	102.38	1.12	2.62	2.56
Inventory	42.48	0.46	42.44	0.47	0.04	0.09
	228.15	2.49	249.51	2.74	(21.36)	-8.56
Total Current assets						
Non-current assets						
Restricted deposits with financial institution	4.00	0.04	4.00	0.04	-	-
Long-term loan for related business	-	-	-	-	-	-
Investment Properties	67.66	0.74	71.43	0.78	(3.77)	-5.28
Land, building and equipment	8,648.77	94.44	8,609.71	94.47	39.06	0.45
Intangible asset	4.12	0.04	2.73	0.03	1.39	50.92
Deferred tax assets	17.45	0.19	18.30	0.20	(0.85)	-4.64
Prepaid rent	151.30	1.65	145.81	1.60	5.49	3.77
Deposit for purchase of asset	24.00	0.26	-	-	24.00	100.00
Other non-current assets	12.75	0.14	12.23	0.13	0.52	4.25
Total non-current assets	8,930.05	97.51	8,864.21	97.26	65.84	0.74
Total assets	9,158.20	100.00	9,113.72	100.00	44.48	0.49

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 2.49% and the non-current asset of about 97.15%. The company had the return of assets in 2016 equaled 0.04% and in 2015 equaled 3.3%.

A) Inventory

As of 31 December 2016 the company and its subsidiaries had net inventory of 42.48 million baht, increased from the previous year just 0.04 million. It consisted of inventory of the restaurant business amounted to 9.17 million baht and the inventory of the hotel business of 33.44 million baht. The company and its subsidiaries had the current inventory ratio in 2016 equaled to 19 times and the duration of average goods sold equaled to 20 days, which was nearly to 2015 with the current inventory ratio and the average selling time equaled to 20 times and 19 days respectively.

The company and its subsidiaries had the policy on allowance for obsolete, slow-moving and defective inventories decreased at the end of 2016 for 0.135 million baht, which was close to the previous year (0.136 million baht).

B) Land, Building and Equipment

As of 31 December 2016 the company and its subsidiaries had the net book value of the land, buildings and equipment valued at 8,648.77 million baht, up from the previous year by 39.06 million baht, or 0.45% higher. The company and its subsidiaries had the rate of asset turning in 2016 equaled to 0.15 times, in year 2015 equaled to 0.17 times. The increase or decrease of land, buildings and equipment in 2016 and depreciation charge of the asset value can be summarized according to the table below.

Land, Building and Equipment (Unit: Million Baht)	31 Dec.2015		Increased Purchase Sale/Transfer		31 Dec.2016	
	Historical cost	Revaluation surplus	Increase	Decrease	Historical cost	Revaluation surplus
Cost/increased price						
Land and cost of land improvement	399.97	2,844.99	117.34	1.35	398.89	2,962.06
Building and its improvement	4,189.36	3,521.23	39.48	13.21	4,181.27	3,555.59
Work under construction	11.86		130.87	59.72	83.01	
Equipment, vehicle and others	1,830.35		77.56	41.57	1,866.34	
Total cost and appreciated price	6,431.54	6,366.22	365.25	115.85	6,506.94	6,517.65
	12,797.76				13,047.16	
Accrued depreciation cost						
Land improvement	1.54				1.54	
Building/improvement-Historical cost	2,004.89		76.69		2,074.10	
Building/improvement-Revaluation surplus		732.16		7.48		818.45
Equipment, vehicle and other	1,449.46		86.29			
			96.26	41.42	1,504.30	
Total accrued depreciation	3,455.89	732.16	238.48	48.9	3,579.94	818.45
	4,188.05				4,398.39	
Net accounting value						
Land and cost of improvement	398.43	2,844.99			397.35	2,962.06
Building and its improvement	2,184.47	2,789.07			2,107.17	2,737.14
Work under construction	11.86				83.01	
Equipment, vehicle and others	380.89				362.04	
Total net accounting value	2,975.65	5,634.06			2,949.57	5,699.20
	8,609.71				8,648.77	

The company has land, building, and equipment for 8,648.77 million baht in 2016 which is 39.06 million baht more than the previous year.

- Land and cost of improvement – the historical cost is 397.35 million baht, decreased from the previous year by 1.80 million baht or 0.3% lower.
- Land and cost of improvement – the revaluation surplus is 2,962.06 million baht, increased from the previous year by 117.07 million baht or 4.12% higher.
- Building and its improvement – the historical cost is 2,107.17 million baht, decreased from the previous year by 77.3 million baht or 3.54% lower.
- Building and its improvement – the revaluation surplus is 2,737.14 million baht, decreased from the previous year by 51.93 million baht or 1.86% lower.
- Work under construction – 83 million baht, increased from the previous year by 71.15 million baht or 600.1% higher.
- Equipment, vehicle and others – 362.04 million baht, decreased from the previous year by 18.85 million baht or 4.95% lower.

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

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.

C) Trade debtors and other debtors

As of 31 December 2016 the company and its subsidiaries had trade debtors and other debtors amounted to 105 million baht, increased over the previous year by 2.62 million baht. It consisted of trade debtors – net increase by 1.98 million baht and other debtors increased by 0.64 million baht.

Details on trade debtors and other debtors	2016		2015		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade debtors – net						
Trade debtor – hotel business	22.53	25.38	28.76	33.14	(6.23)	-21.66
Trade debtor-leasing business	<u>66.24</u>	<u>74.62</u>	<u>58.03</u>	<u>66.86</u>	<u>8.21</u>	14.15
	<u>88.77</u>	<u>100.00</u>	<u>86.79</u>	<u>100.00</u>	<u>1.98</u>	2.28
Other debtors						
Construction prepayment	0.37		0.73		(0.36)	-49.32
Advance payment and other debtor	<u>15.86</u>		<u>14.86</u>		<u>1.00</u>	6.73
	<u>16.23</u>		<u>15.59</u>		<u>0.64</u>	4.11
Total trade debtors and others	105.00		102.38		2.62	2.56

In 2016 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 2016	AS, AP, AA Hotels		ZP Shopping Center		Total
	Million Baht	%	Million Baht	%	Million Baht
Before the due debt	14.10	55.69	6.80	9.16	
Debt owed 1-30 days	5.98	23.62	27.26	36.73	
Debt owed 31-60 days	0.76	3.00	9.61	12.95	
Debt owed 61-90 days	0.72	2.84	3.44	4.64	
Debt owed 91-365 days	3.11	12.28	6.63	8.93	
Debt owed more than 1 year	<u>0.65</u>	<u>2.57</u>	<u>20.47</u>	<u>27.59</u>	
	25.32	100.00	74.21	100.00	99.53
Deduct – Allowance for bad debts	<u>2.79</u>		<u>18.31</u>		<u>21.10</u>
Trade debtor – net	22.53		55.90		78.43
Prepaid check	-		10.34		10.34
Total trade debtor – net	22.53		66.24		88.77

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 2016 the company and its subsidiaries set up the net doubtful debts additionally amounted to 2.43 million baht. So the company had doubtful debts increased from 26.5 million baht at the end of 2015 to 28.93 million baht at the end of 2016, 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 2016 had 3,624.96 million baht compared with the total consolidated liabilities on 31 December 2015 valued at 3,638.41 million baht. The liabilities were decreased by 13.45 million baht, as a result from the company and its subsidiaries has the commitment to repay the loan to financial institutions, as at 31 December 2016 the company and subsidiaries may have liabilities as follow:

- Letters of guarantee issued by banks Letters of guarantee issued by bank total equals 26.30 million baht.
- The Company guarantees liabilities of its two subsidiaries in the amount of 989.50 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 1,765 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. Has obligation to pay for construction project in the future as at December 31, 2016 in the amount of 49.20 million baht.

4. Liquidity and Sufficiency of the Capital of the Company

Ratio of liquidity

		<u>2016</u>	<u>2015</u>	<u>2014</u>
Liquidity ratio	(time)	0.44	0.59	0.61
Ratio of quick ratio	(time)	0.36	0.49	0.52

As of 31 December 2016 the company and its subsidiaries had liquidity ratio and ratio of quick ratio were decline from the previous year, resulted in the cash and cash equivalents was decreased 24.02 million baht and trade receivable was increased 2.62 million baht.

Debt Management Ratios

		<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt to equity ratio	(time)	0.66	0.66	0.79
Interest coverage ratio	(time)	4.60	5.13	6.45

In 2016 the company and its subsidiaries had total liabilities 3,624.96 million baht, 13.45 million lower from the previous year. The shareholder's equity of net worth gradually increased from 5,475.31 million baht in 2015 to 5,533.24 million baht at the end of 2016. The rate of change is equal to the increase in total liabilities. Thus, the debt to equity ratio was 0.66 times in 2015, equal to 2016.

The interest coverage ratio in 2016 was 4.60 times compared to 5.13 times in the previous year. As a result, the ratio decreased because of the decrease in cash flow from operating activities in 2016 while interest expenses was increased.

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)		
	2016	2015	2014
Net cash provided by operating activities	392.28	435.53	485.27
Net cash used in investing activities	(200.67)	(116.58)	(647.35)
Net cash used in financing activities	(215.65)	(366.79)	199.82
Cash & the equivalent increased (decreased)	24.04	47.78	37.74
Difference from conversion of finance	0.05	20.56	(0.87)
Cash and cash equivalent at the beginning of period	104.01	131.29	92.68
Cash & the equivalent at the ending of period	80.02	104.01	131.29

In 2016 the company and its subsidiaries had net cash from operating activities by 392.28 million baht decreased from the last year equaled 43.3 million baht. The company paid net cash in the investment activities amounted to 200 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 215.6 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 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.

5. Accounting Treatment No.16: The Account of Property, Plant and Equipment

During the year 2016, the Company and subsidiaries are unable to apply the alternative method per Notification No. 25/2549 issued by the Federation of Accounting Profession (FAP), with reference to the accounting method detailed in Notification No. 18/2011 issued by the FAP announced in Royal Government Gazette on May 6, 2011, which allows the Company and subsidiaries to continue using the method stipulated in Notification No. 25/2549.

For the purpose of comparative financial statements, the Company and subsidiaries restated the statement of profit or loss and other comprehensive income for the years ended December 31 2015 as follow:

Unit: Thousands Baht

	Consolidated financial statements		Separated financial statements			
	Before	After	Before	After		
	restated	Restated	restated	restated	Restated	restated
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
FOR THE YEARS ENDED DECEMBER 31, 2015						
Cost of sale and services						
Cost of hotel business						
Depreciation - Revaluation surplus of assets	-	(26,806)	(26,806)	-	(7,697)	(7,697)
Cost of rental and services						
Depreciation - Revaluation surplus of assets	-	(62,992)	(62,992)	-	-	-
Income tax (expense) revenue	(49,225)	16,879	(32,346)	454	1,539	1,993
Net profit for the year	368,188	(72,919)	295,269	301,031	(6,158)	294,873
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss:</i>						
Changes in revaluation surplus	727,759	(61,385)	666,374	(7,697)	7,697	-
Income tax on other comprehensive income						
relating to items that will not be reclassified	(145,710)	12,440	(133,270)	1,539	(1,539)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Difference on exchange rate from currency translation	20,590	4,585	25,175	-	-	-
Other comprehensive income for the year	602,639	(44,360)	558,279	(6,158)	6,158	-
Total comprehensive income for the year	970,827	(117,279)	853,548	294,873	-	294,873
Basic earnings per share (Baht):	11.28	(2.20)	9.08	9.41	(0.20)	9.21

This does not effect the statements of financial positions

6. 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.
 - ii. Weaknesses
 1. The world economy has not shown a clear sign of recovery. Brexit is expected to hit tourism sector in various impacts.
 2. Increase in hotel supply in Bangkok and Pattaya causes high level of price competition.
 3. Limitation of qualified manpower in tourism industry
 - 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, IT Zeer Rangsit 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 2016 Audit Committee held a total of 10 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. After auditing the financial statement which was changing in accounting standard from year 2014 to year 2016, the audit committees believe that the financial statement was made in accordance with the accounting standard and it was disclosed with correct and sufficient information to the shareholders, investors and financial statement users.

➤ Audit Committee reviewed the self-assessment of the company's compliance with the Company's anti-corruption policy along with related documents. As the company announced its intentions to participate in the anti-corruption program of the private sector "CAC", the company applied for certification as a member of the project of the Thai Institute of Directors Association by the end of 2016. The committee followed up and monitored the performance of duties and the Company's Anti-Corruption Policy.

➤ 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. AtipongAtipongsakul or Mr.SatienVongsanun or Mr. WichaiRujitanont or Miss KultidaPasurakulthe 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 2017

15. Report of the Nomination and Remuneration Committee

To Shareholders,

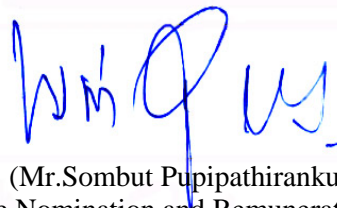
The Nomination and Remuneration Committee comprises of three independent directors who are not executives of the company as follow:

Name	Position	Participate in the 2016 Meeting
Mr. Sombut Pupipathirankul	Chairman	1/1
Mr. Piyawudh Senapoopitaksa	Member	1/1
Mr. Suwat Dusitrojjanawongse	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.

The Committee is currently in the process of recruitment of the new chairman due to the company has policy of chairman qualification, is independent director, as of December 31, 2016, the Board of Directors, total of 8 members, comprised of four independent directors, one non-executive director, and three executive directors. The remuneration for the directors is indicated in the section of this Annual Report entitled 'Item 7.4 The Remuneration and Benefits'. The Committee is of the opinion that this remuneration of the year 2017 is same rate of the previous year. The said remuneration has already been considered and approved by the Board of Directors.



(Mr. Sombut Pupipathirankul)
 Chairman of the Nomination and Remuneration Committee
 March 13, 2017

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 2016 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. Amorn Techaruvichit
Chairman



Mr. Surapong Techaruvichit
Managing Director

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated and separate financial statements of Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2016, 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 and a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position as at December 31, 2016 and the consolidated and separate financial performance and cash flows for the year then ended of Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively, 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 under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate 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.

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 Asia Hotel Public Company Limited. As such, the Company 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 13.08 million. The Group has tax losses carried forward of Baht 163.69 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.

Emphasis of Matter

Without qualifying my opinion, I draw attention to Note 13 to financial statements regarding the restatement of the statements of profit and loss and other comprehensive income for the year ended December 31, 2015 as a result of the effect on the applying the alternative method per Notification No. 25/2549, and Note 14 to financial statements regarding a subsidiary has restated its financial statements regarding the account of property, plant and equipment and revaluation surplus of assets for the financial statements year ended December 31, 2015, and Note 38 to financial statements regarding a subsidiary has reclassified its property (Apartment Project) from "Property, Plant and Equipment" to "Investment Properties" and the Company and subsidiaries have reclassified certain accounts in the statement of profit or loss and other comprehensive income for the year ended December 31, 2015 to conform to the presentation of the financial statements of current period.

Other information

Management is responsible for the other information. The other information comprises the information contain in Annual Report for the year 2016 but does not include the consolidated and separate financial statements and the auditor's report thereon. The Annual report is expected to be made available to the auditor after the date of this auditor's report.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available 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 the 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 these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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. A description of an audit is provided in the attached Appendix.

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 year and are therefore the key audit matters. I describe these matters in the 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 Company Limited
Bangkok, February 24, 2017

Appendix

My practice includes the following:

- 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 cause 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.

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

		Unit: Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015	
Notes			"Restated"	"Reclassification"			
ASSETS							
Current assets							
	Cash and cash equivalents	5	79,993,469	104,007,097	131,291,674	7,926,336	10,840,669
	Current investments		682,194	682,194	626,384	-	-
	Trade and other receivables - net	6, 7	104,996,393	102,378,770	115,535,803	17,507,196	15,866,564
	Inventories - net	8	42,479,822	42,443,371	40,462,281	18,892,630	18,991,814
	Total current assets		228,151,878	249,511,432	287,916,142	44,326,162	45,699,047
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	4,000,000	-	-
	Long-term loan to related company and accrued interest income - net	7	-	-	70,588,235	-	-
	Investment properties - net	12	67,656,298	71,429,856	84,305,538	-	-
	Property, plant and equipment - net	13	8,648,772,386	8,609,707,443	7,867,769,489	2,229,366,028	2,118,399,196
	Intangible assets - net	15	4,121,205	2,731,315	1,706,284	1,850,329	538,190
	Deferred tax assets	16	17,454,880	18,303,289	19,394,952	-	-
	Prepaid rental - net	7, 17	151,295,331	145,808,474	141,268,985	9,527,155	10,739,568
	Deposit for purchase of assets	18	24,000,000	-	-	-	-
	Other non-current assets						
	Deposits and guarantee		1,906,654	1,303,835	1,052,463	373,807	713,578
	Prepaid withholding income tax		8,508,123	8,595,978	4,304,187	7,667,709	7,574,346
	Others		2,330,311	2,329,787	1,032,006	-	-
	Total non-current assets		8,930,045,188	8,864,209,977	8,195,422,139	3,389,378,728	3,278,558,578
	Total assets		9,158,197,066	9,113,721,409	8,483,338,281	3,433,704,890	3,324,257,625

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, 2016

		Unit: Baht					
		Consolidated financial statements			Separate financial statements		
		December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015	
Notes			"Restated"	"Reclassification"			
LIABILITIES AND SHAREHOLDER'S EQUITY							
Current liabilities							
Bank overdrafts and short-term loans							
	from financial institutions	19	172,130,659	25,990,615	33,069,836	67,431,922	7,649,327
	Trade payables		22,999,198	32,877,638	34,260,989	12,038,544	13,836,814
	Other payables	20	89,093,848	96,797,873	108,323,004	21,252,803	22,806,429
	Current portion of long-term loan from financial institutic	21	193,326,253	229,182,067	160,191,631	56,000,000	90,000,000
	Current portion of liabilities under financial lease agreem	22	1,296,133	230,466	162,284	243,522	230,466
	Current portion of deferred income	24	8,278,199	8,278,199	8,278,199	-	-
Short-term loans and accrued interest expense							
	- related companies	7	-	-	-	252,124,054	254,568,162
	Assets payable		27,921,643	25,889,603	99,723,355	769,799	882,649
	Accrued income tax		-	466,984	27,423,768	-	-
	Total current liabilities		515,045,933	419,713,445	471,433,066	409,860,644	389,973,847
Non-current liabilities							
	Long-term loan from financial institutions - net	21	1,667,876,670	1,812,399,469	2,012,028,231	611,000,000	657,500,000
	Liabilities under financial lease agreements - net	22	4,179,017	787,857	-	544,334	787,857
	Deferred tax liabilities	16	1,148,408,748	1,117,717,714	983,218,870	332,699,581	304,129,329
	Employee benefit obligations	23	68,859,338	61,067,097	54,777,703	34,022,972	32,743,181
	Guarantee for rental	24	181,602,636	180,629,288	171,826,990	13,684,040	11,371,157
	Deferred revenue - leasehold rights	25	34,300,469	41,529,226	48,757,983	-	-
	Other non-current liabilities		4,685,167	4,564,683	3,949,732	1,342,600	1,510,800
	Total non-current liabilities		3,109,912,045	3,218,695,334	3,274,559,509	993,293,527	1,008,042,324
	Total liabilities		3,624,957,978	3,638,408,779	3,745,992,575	1,403,154,171	1,398,016,171

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, 2016

Unit: Baht					
Notes	Consolidated financial statements			Separate financial statements	
	December 31, 2016	December 31, 2015	January 1, 2015	December 31, 2016	December 31, 2015
		"Restated"	"Reclassification"		
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	37,539,076	37,539,076	-	-
Retained earnings					
Appropriated					
26	Legal reserve	38,494,262	36,221,592	21,170,043	38,494,262
	Unappropriated	390,086,483	387,105,632	153,089,153	261,608,232
	Other components of equity	4,488,768,524	4,435,649,043	3,952,166,438	1,410,448,225
	Total equity of the parent company	5,387,631,595	5,329,258,593	4,596,707,960	2,030,550,719
9	Non-controlling interests	145,607,493	146,054,037	140,637,746	-
	Total shareholders' equity	5,533,239,088	5,475,312,630	4,737,345,706	2,030,550,719
	Total liabilities and shareholders' equity	9,158,197,066	9,113,721,409	8,483,338,281	3,433,704,890

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Notes		"Restated"		"Restated"	
REVENUES	7, 29, 32				
Income from hotel business		661,366,704	753,031,957	355,356,090	385,473,286
Rental and services income		620,328,881	611,685,751	-	-
Total revenues		1,281,695,585	1,364,717,708	355,356,090	385,473,286
COST OF SALES AND SERVICES					
Cost of hotel business					
Cost of hotel business		(443,169,749)	(464,808,630)	(240,406,012)	(240,591,333)
Depreciation - Revaluation surplus of assets	13	(23,165,612)	(26,805,828)	(7,696,971)	(7,696,971)
Cost of rental and services					
Cost of rental and services		(392,716,878)	(365,133,086)	-	-
Depreciation - Revaluation surplus of assets	13	(63,125,432)	(62,992,278)	-	-
Total cost of sales and services		(922,177,671)	(919,739,822)	(248,102,983)	(248,288,304)
GROSS PROFIT		359,517,914	444,977,886	107,253,107	137,184,982
Dividend income	9	-	-	53,353,050	81,918,660
Other income	31	82,735,439	88,692,802	58,332,887	56,372,932
Profit before expenses		442,253,353	533,670,688	218,939,044	275,476,574
Selling expenses		(67,849,586)	(84,802,578)	(23,259,673)	(23,681,694)
Administrative expenses		(218,020,415)	(199,580,770)	(92,968,588)	(93,883,402)
Management benefit expenses	34	(15,688,860)	(14,523,760)	(6,900,360)	(6,456,360)
Directors' remuneration	33	(3,300,408)	(3,247,435)	(1,858,408)	(1,712,935)
Reversal of provision for doubtful debt (Doubtful c	7	(2,555,362)	209,357,215	(64,687)	211,101,683
Financial cost		(113,338,280)	(113,258,779)	(50,575,599)	(67,963,624)
Profit before income tax		21,500,442	327,614,581	43,311,729	292,880,242
Income tax (expense) revenue	16	(15,342,074)	(32,345,776)	2,141,666	1,993,171
Net profit for the year		6,158,368	295,268,805	45,453,395	294,873,413

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, 2016

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Notes		"Restated"	"Restated"	"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	151,826,286	666,373,576	-
	Income tax on other comprehensive income				
	relating to items that will not be reclassified	14	(30,133,161)	(133,269,645)	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
	Difference on exchange rate from currency translation		(1,935,833)	25,174,928	-
	Other comprehensive loss for the year		118,596,810	558,278,859	-
Total comprehensive income for the year			124,755,178	853,547,664	168,301,065
					294,873,413
Attributable to:					
	Equity holders of the parent		3,525,177	290,683,866	45,453,395
	Non-controlling interests		2,633,191	4,584,939	-
			6,158,368	295,268,805	45,453,395
					294,873,413
Total comprehensive income attributable to:					
	Equity holders of the parent		122,364,802	844,550,033	168,301,065
	Non-controlling interests		2,390,376	8,997,631	-
			124,755,178	853,547,664	168,301,065
					294,873,413
BASIC EARNINGS PER SHARE					
	Basic earnings per share (Baht)		0.11	9.08	1.42
	Number of weighted average share (Shares)		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, 2016

Unit: Baht

Consolidated financial statements

Equity attributable to equity holders of the Company

	Notes	Paid-up		Surplus on change in shareholding proportion	Retained earnings		Other components of equity			Total parent shareholders' equity	Non-controlling interest	Total	
		share capital	- sale of parent's common share held		Legal reserve	Unappropriated	Other comprehensive income						Total other component of equity
							Revaluation surplus of assets	Actuarial loss	Currency translation				
Balance as at January 1, 2015		320,000,000	112,743,250	37,539,076	21,170,043	153,089,153	3,936,951,672	-	15,214,766	3,952,166,438	4,596,707,960	140,637,746	4,737,345,706
Changes in equity for the year :													
Devidends	9, 27	-	-	-	-	(111,999,400)	-	-	-	-	(111,999,400)	(3,581,340)	(115,580,740)
Legal reserve	26	-	-	-	15,051,549	(15,051,549)	-	-	-	-	-	-	-
Transferred to retained earnings		-	-	-	-	70,383,562	(70,383,562)	-	-	(70,383,562)	-	-	-
Difference on exchange rate from currency translation		-	-	-	-	-	4,348,537	-	19,505,556	23,854,093	23,854,093	1,320,835	25,174,928
Comprehensive income for the year		-	-	-	-	290,683,866	646,610,814	-	-	646,610,814	937,294,680	8,357,014	945,651,694
Balance as at December 31, 2015													
- as previously reported		320,000,000	112,743,250	37,539,076	36,221,592	387,105,632	4,517,527,461	-	34,720,322	4,552,247,783	5,445,857,333	146,734,255	5,592,591,588
Cumulative effects of corrections of er	14	-	-	-	-	-	(116,598,740)	-	-	(116,598,740)	(116,598,740)	(680,218)	(117,278,958)
Balance as at December 31, 2015													
- as restated		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	9	-	-	-	-	-	-	-	-	-	-	60,030	60,030
Devidends	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 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		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	5,387,631,595	145,607,493	5,533,239,088

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, 2016

Unit: Baht								
Separate financial statements								
	Notes	Retained earnings			Other component of equity			Total
		Paid-up share capital	Legal reserve	Unappropriated	Revaluation surplus of assets	Acturial gain	Total other component of equity	
Balance as at January 1, 2015		320,000,000	21,170,043	100,895,048	1,301,302,350	-	1,301,302,350	1,743,367,441
Changes in equity for the year :								
Deividends	27	-	-	(111,999,400)	-	-	-	(111,999,400)
Legal reserve	26	-	15,051,549	(15,051,549)	-	-	-	-
Transferred to retained earnings		-	-	6,157,577	(6,157,577)	-	(6,157,577)	-
Comprehensive income for the year		-	-	294,873,413	-	-	-	294,873,413
		<u>320,000,000</u>	<u>36,221,592</u>	<u>274,875,089</u>	<u>1,295,144,773</u>	<u>-</u>	<u>1,295,144,773</u>	<u>1,926,241,454</u>
Changes in equity for the year :								
Deividends	27	-	-	(63,991,800)	-	-	-	(63,991,800)
Legal reserve	26	-	2,272,670	(2,272,670)	-	-	-	-
Transferred to retained earnings		-	-	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	168,301,065
Balance as at December 31, 2016		<u><u>320,000,000</u></u>	<u><u>38,494,262</u></u>	<u><u>261,608,232</u></u>	<u><u>1,410,448,225</u></u>	<u><u>-</u></u>	<u><u>1,410,448,225</u></u>	<u><u>2,030,550,719</u></u>

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		"Restated"		"Restated"
Cash flows from operating activities :				
Net profit before corporate income tax	21,500,442	327,614,581	43,311,729	292,880,242
Adjustment to reconcile net profit to cash provided by (used in) operating activities				
Employee benefit provision	8,730,859	10,010,590	4,044,092	5,376,898
Depreciation	263,034,900	236,597,589	51,253,965	51,215,930
Amortized prepaid rental	23,548,090	23,548,090	1,212,413	1,212,413
Amortized computer software	784,738	746,201	216,771	111,758
Provision for doubtful debt (Reversal)	2,555,362	(209,357,215)	-	(211,101,683)
Bad debt	101,322	-	64,687	-
Reversal of provision for devaluation of inventory	(1,733)	(2,712)	(1,733)	(2,712)
(Gain) loss on sale of fixed assets	977,443	(221,645)	(50,754)	(68,726)
Loss from written off fixed assets	3,456,845	-	265	-
Non-controlling interests increase	60,030	-	-	-
Corporate income tax deducted at source written off	454,389	-	-	-
Interest income	-	(55,810)	-	-
Income on leasehold rights	(7,228,757)	(7,228,757)	-	-
Dividend income	-	-	(53,353,050)	(81,918,660)
Financial cost - interest expense	113,338,280	113,258,779	50,575,599	67,963,624
Profit from operations before changes in operating assets and liabilities	431,312,210	494,909,691	97,273,984	125,669,084
Operating assets (increase) decrease				
Trade accounts receivable and other receivable	(5,274,307)	12,772,964	(1,705,319)	4,444,867
Inventories	(34,719)	(1,978,378)	100,917	1,842
Other non-current assets	(603,343)	(1,549,153)	339,771	(412,956)

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		"Restated"		"Restated"
Operating liabilities increase (decrease)				
Trade accounts payable	(9,878,440)	(1,383,351)	(1,798,270)	(159,140)
Other payable	(7,474,115)	(11,671,077)	(1,532,488)	2,042,089
Guarantee for rental	973,348	8,802,298	2,312,883	(80,107)
Other non-current liabilities	120,484	614,951	(168,200)	94,000
Cash received from operating activities	409,141,118	500,517,945	94,823,278	131,599,679
Cash paid for employee benefit	(2,099,100)	(3,721,196)	(1,031,000)	(3,105,300)
Corporate income tax refund	1,266,257	-	1,266,257	-
Corporate income tax paid	(16,035,567)	(61,260,935)	(1,359,620)	(4,227,283)
Net cash provided by operating activities	392,272,708	435,535,814	93,698,915	124,267,096
Cash flow from investing activities :				
Dividend income from investments	-	-	53,353,050	81,918,660
Cash received from long-term loan - receivable and accrued interest income - related parties	-	280,329,519	-	280,329,519
Cash received from sale of fixed assets	804,677	566,225	164,821	77,129
Cash paid deposit for purchase of assets	(24,000,000)	-	-	-
Cash paid for purchase of fixed assets and intangible assets	(131,494,215)	(295,564,188)	(12,037,752)	(11,809,356)
Cash paid for prepaid rental	(29,034,947)	(28,087,579)	-	-
Assets payable increase (decrease)	(16,953,572)	(73,833,752)	(112,850)	89,569
Net cash provided by (used in) investing activities	(200,678,057)	(116,589,775)	41,367,269	350,605,521

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
		"Restated"		"Restated"
Cash flow from financing activities :				
Bank overdrafts and short term loans from financial institution increase (decrease)	146,140,044	(7,079,221)	59,782,595	(18,372,830)
Cash paid for short-term loans and accrued interest expense - related parties	-	-	(35,654,513)	(84,800,000)
Cash received for short-term loans and accrued interest expense - related parties	-	-	26,000,000	27,800,000
Cash paid for financial cost	(113,568,190)	(113,112,833)	(43,386,332)	(57,422,890)
Cash paid for dividend	(66,888,750)	(115,580,740)	(63,991,800)	(111,999,400)
Cash paid for long-term loans	(268,802,067)	(420,315,510)	(80,500,000)	(226,500,000)
Cash received from long-term loans	88,315,830	289,677,185	-	-
Cash paid for liabilities under financial lease agreement	(853,173)	(384,129)	(230,467)	(221,846)
Net cash used in financing activities	(215,656,306)	(366,795,248)	(137,980,517)	(471,516,966)
Cash and cash equivalents increase (decrease) - net	(24,061,655)	(47,849,209)	(2,914,333)	3,355,651
Difference from currency translation	48,027	20,564,632	-	-
Cash and cash equivalents at the beginning of year	104,007,097	131,291,674	10,840,669	7,485,018
Cash and cash equivalents at the ending of year	79,993,469	104,007,097	7,926,336	10,840,669

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

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

1. GENERAL INFORMATION

1.1. The Company and its five subsidiaries,

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

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

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

Basis of consolidation

- 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	
			<u>2016</u> Percent	<u>2015</u> 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	99.90	99.90
Spa Hotel Co., Ltd.	Rental shopping complex	Thailand	57.05	-

- 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

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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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 standard 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 2016) which is 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 management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarized below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

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, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Cash on hand	5,609	5,338	3,001	2,823
Non-clearing cheques	1,695	2,318	1,025	390
Cash at banks				
Current account	12,210	19,654	3,655	6,893
Saving account	60,470	76,688	245	735
Fixed deposit with maturity of less than 3 mounths	9	9	-	-
Total	79,993	104,007	7,926	10,841

6. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables - net as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Trade receivable				
The Company and its two subsidiaries, involved in the hotel business :				
Current accounts	14,114	14,425	10,867	9,294
Overdue 1 - 30 days	5,975	12,760	2,789	3,818
Overdue 31 - 60 days	757	958	447	351
Overdue 61 - 90 days	716	204	375	183
Overdue 91 - 365 days	3,106	298	452	55
Overdue more than 1 year	655	622	398	400
	<u>25,323</u>	<u>29,267</u>	<u>15,328</u>	<u>14,101</u>
<u>Less</u> Provision for doubtful debt	(2,790)	(507)	(335)	(335)
Total	<u>22,533</u>	<u>28,760</u>	<u>14,993</u>	<u>13,766</u>

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Subsidiary company - Zeer Property Plc. involved in rental shopping complex business :				
Current accounts	6,799	11,234	-	-
Overdue 1 - 30 days	27,256	20,303	-	-
Overdue 31 - 60 days	9,605	7,681	-	-
Overdue 61 - 90 days	3,436	3,023	-	-
Overdue 91 - 365 days	6,635	7,277	-	-
Overdue more than 1 year	20,467	19,048	-	-
	74,198	68,566	-	-
<u>Less</u> Provision for doubtful debt	(18,305)	(18,164)	-	-
	55,893	50,402	-	-
Total	78,426	79,162	14,993	13,766
Post dated cheques	10,344	7,624	-	-
Trade accounts receivable - net	88,770	86,786	14,993	13,766
Other receivable				
Other receivable	7,846	7,884	-	-
Advance for construction	372	731	-	-
Prepaid expenses	5,739	4,346	1,873	1,530
Withholding tax	2,010	-	-	-
Others	8,089	10,462	641	571
Total other receivable	24,056	23,423	2,514	2,101
<u>Less</u> Provision for doubtful debt	(7,830)	(7,830)	-	-
Trade other receivable - net	16,226	15,593	2,514	2,101
Total trade accounts receivable and other receivable - net	104,996	102,379	17,507	15,867
Change in provision for doubtful debt				
Beginning balance	26,501	25,993	335	1,696
Increase (Decrease) during the year	2,424	508	-	(1,361)
Ending balance	28,925	26,501	335	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, 2016 and 2015 are summarized below:

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Accounts receivable				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	38	24
Asia Airport Hotel Co., Ltd.	-	-	321	369
Zeer Property Plc.	-	-	-	14
Other receivable				
Subsidiary				
Asia Airport Hotel Co., Ltd.	-	-	267	123
Prepaid insurance expense				
Related company				
Nam Seng Insurance Plc.	4,614	3,699	994	736

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Long-term loans and accrued				
interest income - related company				
A.B.K Enterprise Co., Ltd.				
Beginning balance	-	280,329	-	280,329
Repayment during the year	-	(280,329)	-	(280,329)
Ending balance	-	-	-	-

During the year 2015, the Company had reversed allowance for doubtful debt on interest receivable in the amount of Baht 209 million, due to the Company had received the entire amount from the debtor.

Unit: Thousands Baht						
Consolidated financial statements		Separate financial statements		Policy to charge the Inter-company borrowing cost (%)		
December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	
Short-term loans and accrued interest expenses from related parties						
Subsidiaries						
Asia Pattaya Hotel Co.,Ltd.						
- Loans	-	-	58,400	73,055	7.25	7.25
- Accrued interest expenses	-	-	132,774	127,811		
Total	-	-	191,174	200,866		
Asia Airport Hotel Co.,Ltd.						
- Loans	-	-	35,021	30,021	7.25	7.25
- Accrued interest expenses	-	-	25,928	23,681		
Total	-	-	60,949	53,702		
Total short-term loans and accrued interest expenses from related parties						
	-	-	252,123	254,568		

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, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Short-term loans				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	73,055	135,455
Increase during the year	-	-	21,000	12,400
Repayment during the year	-	-	(35,655)	(74,800)
Ending balance	-	-	58,400	73,055
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	30,021	24,621
Increase during the year	-	-	5,000	15,400
Repayment during the year	-	-	-	(10,000)
Ending balance	-	-	35,021	30,021
Accrued interest expenses				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	127,811	118,897
Increase during the year	-	-	4,963	8,914
Ending balance	-	-	132,774	127,811
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	23,681	21,952
Increase during the year	-	-	2,247	1,729
Ending balance	-	-	25,928	23,681
Rental prepayment				
Related company				
Don Mung Grand Plaza Co., Ltd.				
Rental prepayment	141,768	135,069	-	-
Total	141,768	135,069	-	-

Sales and purchases of goods and services

Transactions between the Company and related parties for the years ended December 31, 2016 and 2015 are summarized below:

	Unit: Thousands Baht				Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2016	2015	2016	2015	
Rental income					
Subsidiary					
Asia Pattaya Hotel Co., Ltd.	-	-	1,200	1,200	As specified in agreement
Other income					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	3,158	1,805	Cost plus margin
Asia Pattaya Hotel Co., Ltd.	-	-	388	525	Cost plus margin
Zeer Property Plc.	-	-	84	183	Cost plus margin
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.	-	-	2,247	1,729	7.25% per annum
Asia Pattaya Hotel Co., Ltd.	-	-	4,963	8,914	7.25% per annum
Insurance premiums expenses					
Related company					
Nam Seng Insurance Plc.	8,538	6,808	1,577	1,461	As specified in agreement

8. INVENTORIES - NET

Inventories - net as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Restaurant				
- Food	3,487	3,404	1,619	1,586
- Beverage	1,511	1,585	825	846
- Supplies	4,175	4,688	76	59
Hotel				
- Supplies	8,415	8,235	2,182	2,246
- Operating equipment	13,003	12,737	2,302	2,461
- Reserve of operating equipment	12,024	11,930	12,024	11,930
Total	42,615	42,579	19,028	19,128
<u>Less Allowance for impairment</u>				
of inventories	(135)	(136)	(135)	(136)
Inventories - net	42,480	42,443	18,893	18,992

9. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2016 and 2015, and dividend income for years ended December 31, 2016 and 2015 are as follows:

		Unit: Thousands Baht							
		Paid-up capital		% of shared holding		Cost method		Dividend income	
Type of business		December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
		2016	2015	2016	2015	2016	2015	2016	2015
Asia Pattaya Hotel Co.,Ltd.	Hotel	120,000	120,000	99.42	99.42	119,300	119,300	-	17,895
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	53,353	64,024
Total						1,140,593	1,140,593	53,353	81,919

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.

At Ordinary Shareholders' Meeting No. 1/2016 held on April 26, 2016, 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 in May 16, 2016 at the rate Baht 0.25 per share, totaling Baht 56.25 million.

At Board of Directors' Meeting No. 4/2015 held on August 13, 2015, the subsidiary, Zeer Property Plc., approved to pay an interim dividend from the operating results of six-months period (January – June 2015) at the rate of Baht 0.10 per share for 225 million shares, totaling Baht 22.50 million. The dividend was paid on September 4, 2015.

At Board of Directors' Meeting No. 5/2015 held on May 7, 2015, the subsidiary, Asia Pattaya Hotel Co., Ltd., approved to pay an interim dividend to shareholders from the operating results of 2014 at the rate of Baht 15,000 per share for 1,200 million shares, totaling Baht 18 million. The dividend was paid on May 15, 2015.

At Ordinary Shareholders' Meeting No. 1/2015 held on April 20, 2015, the subsidiary, Zeer Property Plc., passed a resolution to pay dividend to shareholders from the operating results of 2014 at the rate of Baht 0.40 per share for 225 million shares, totaling Baht 90 million. The subsidiary paid an interim dividend at the rate Baht 0.20 per share in 2015, totaling Baht 45 million. The remaining dividend was paid in May 14, 2015 at the rate Baht 0.20 per share, totaling Baht 45 million.

The following subsidiaries have material Non-controlling interests.

			Unit: Thousands Baht	
			December 31, 2016	
Name of subsidiary	Type of business	Ownership interests held by NCI (percentage)	Comprehensive income	
			attributable to Non-controlling interest	Accumulated Non-controlling interest
Asia Pattaya Hotel Co., Ltd.	Hotel	0.58	(83)	8,115
Zeer Property Plc.	Shopping Complex for rent	5.15	2,473	137,492
Total			2,390	145,607

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, 2016			
Current assets	202,280	161,130	363,410
Non-current assets	1,631,428	4,416,134	6,047,562
Current liabilities	(46,323)	(277,407)	(323,730)
Non-current liabilities	(388,187)	(1,677,712)	(2,065,899)
Net assets	1,399,198	2,622,145	4,021,343
Net assets attributable to			
Non-controlling interests	8,115	137,492	145,607
For the year ended December 31, 2016			
Revenues	104,862	679,680	784,542
Net profit (loss) for the year Attributable to			
Non-controlling interests	(81)	2,714	2,633
Total other comprehensive loss			
attributable to non-controlling interests	(2)	(241)	(243)
Total comprehensive income (loss) for the year			
attributable to non-controlling interests	(83)	2,473	2,390
Dividends paid to			
Non-controlling interests	-	2,897	2,897
Net cash provided by (used in)			
Operating activities	(11,780)	274,172	262,392
Investing activities	13,814	(163,726)	(149,912)
Financing activities	(3,562)	(127,690)	(131,252)
Cash and cash equivalents			
decrease - net	(1,528)	(17,244)	(18,772)

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,	
	2016	2015	2016	2015	2016	2015	2016	2015	
Jet Cat Tour Co.,Ltd.	Travelling	80,000	80,000	19.00	19.00	15,200	15,200	-	-
<u>Less</u> Provision for declining in value of investment						(15,200)	(15,200)		
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, 2016 and 2015 are as follows:

	Unit: 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, 2016	65,575	8,892	936	75,403
Purchase	-	-	12	12
As at December 31, 2016	65,575	8,892	948	75,415
Less Accumulated depreciation				
As at January 1, 2016	(2,026)	(1,750)	(197)	(3,973)
Depreciation for the year	(1,873)	(1,728)	(185)	(3,786)
As at December 31, 2016	(3,899)	(3,478)	(382)	(7,759)
Net book value				
As at December 31, 2015	63,549	7,142	739	71,430
As at December 31, 2016	61,676	5,414	566	67,656

The fair values of the above investment properties have been determined based on valuations performed by the management of the Company. The fair value of Apartment Project for rent has 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 are as follows:

	Unit: Baht	
	Consolidated financial statements	
	Fair value	
	December 31, 2016	December 31, 2015
Apartment Project	85,400	84,400

13. PROPERTY, PLANT AND EQUIPMENT - NET

For the year ended December 31, 2016, the Company and subsidiaries have following movements in the property, plant and equipment – net:

	Consolidated financial statements														Unit : Thousands Baht
	Land		Land improvement	Building and building improvement and public utility system		Outside project improvement	Leasehold improvement	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus		Historical cost	Revaluation surplus										
Cost															
As at January 1, 2016															
- as previously reported	398,430	2,991,586	1,545	4,134,177	3,521,228	55,184	3,657	270,884	1,157,827	103,221	166,068	62,160	66,530	11,857	12,944,354
Restated (Note 14)	-	(146,599)	-	-	-	-	-	-	-	-	-	-	-	-	(146,599)
As at January 1, 2016	398,430	2,844,987	1,545	4,134,177	3,521,228	55,184	3,657	270,884	1,157,827	103,221	166,068	62,160	66,530	11,857	12,797,755
Purchase	-	-	-	-	-	-	-	2,345	1,942	48	1,812	3,590	13,096	130,869	153,702
Revaluated	-	117,335	-	-	34,491	-	-	-	-	-	-	-	-	-	151,826
Disposals	-	-	-	(4,274)	-	-	-	(2,509)	(16,822)	(4,113)	(1,930)	(5,078)	(427)	-	(35,153)
Written off	-	-	-	(8,247)	-	-	-	(97)	(5,714)	(2,151)	(2,501)	(228)	-	-	(18,938)
Transfer in (Transfer out)	-	-	-	4,985	-	-	-	-	53,969	-	-	762	-	(59,716)	-
Financial statement translation	(1,080)	(261)	-	(555)	(128)	-	-	-	-	-	-	-	-	-	(2,024)
As at December 31, 2016	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
Less Accumulated depreciation															
As at January 1, 2016	-	-	1,543	1,976,199	732,161	28,686	2,340	220,716	881,512	90,667	152,088	44,710	57,426	-	4,188,048
Depreciation for the year															
Cost	-	-	1	71,290	-	5,400	182	11,754	67,904	3,093	4,950	5,731	2,643	-	172,948
Revaluated	-	-	-	-	86,290	-	-	-	-	-	-	-	-	-	86,290
Disposals	-	-	-	(2,633)	-	-	-	(2,382)	(16,820)	(4,113)	(1,921)	(5,074)	(427)	-	(33,370)
Written off	-	-	-	(4,806)	-	-	-	(97)	(5,714)	(2,151)	(2,501)	(212)	-	-	(15,481)
Financial statement translation	-	-	-	(37)	(2)	-	-	-	-	-	-	-	-	-	(39)
As at December 31, 2016	-	-	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
Net book value															
As at December 31, 2016	397,350	2,962,061	1	2,086,073	2,737,142	21,098	1,135	40,632	264,320	9,509	10,833	16,051	19,557	83,010	8,648,772
As at December 31, 2015	398,430	2,844,987	2	2,157,978	2,789,067	26,498	1,317	50,168	276,315	12,554	13,980	17,450	9,104	11,857	8,609,707

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, 2016	159,120	1,341,840	500,273	351,191	102,005	150,793	452,701	89,080	95,279	18,964	8,377	151	3,269,774
Purchase	-	-	-	-	-	1,916	120	32	364	984	-	7,094	10,510
Revaluated	-	117,335	-	34,491	-	-	-	-	-	-	-	-	151,826
Disposals	-	-	-	-	-	(1,560)	(851)	(898)	(1,843)	(5,062)	-	-	(10,214)
Written off	-	-	-	-	-	(97)	(5,715)	(2,151)	(2,501)	-	-	-	(10,464)
Transfer in (Transfer out)	-	-	1,026	-	1,885	-	2,024	-	-	-	-	(4,935)	-
As at December 31, 2016	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
Less Accumulated depreciation													
As at January 1, 2016	-	-	384,669	74,100	37,209	120,351	341,524	77,702	92,643	16,661	6,516	-	1,151,375
Depreciation for the year													
Cost	-	-	4,950	-	6,541	5,758	21,755	2,568	855	882	248	-	43,557
Revaluated	-	-	-	7,696	-	-	-	-	-	-	-	-	7,696
Disposals	-	-	-	-	-	(1,456)	(850)	(898)	(1,838)	(5,058)	-	-	(10,100)
Written off	-	-	-	-	-	(97)	(5,714)	(2,150)	(2,501)	-	-	-	(10,462)
As at December 31, 2016	-	-	389,619	81,796	43,750	124,556	356,715	77,222	89,159	12,485	6,764	-	1,182,066
Net book value													
As at December 31, 2016	159,120	1,459,175	111,680	303,886	60,140	26,496	91,564	8,841	2,140	2,401	1,613	2,310	2,229,366
As at December 31, 2015	159,120	1,341,840	115,604	277,091	64,796	30,442	111,177	11,378	2,636	2,303	1,861	151	2,118,399

Building and equipment as at December 31, 2016 and 2015 in amount of Baht 1,188.95 million and Baht 1,171.93 million, respectively in consolidated financial statements and Baht 503.30 million and Baht 513.17 million, respectively in separate financial statements, have been fully depreciated but still in use.

During the years ended December 31, 2015, the subsidiary – Zeer Property Plc recorded financial cost of Baht 17.94 million as cost of the building and building improvement and public utility system.

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, 2016 and 2015 are as follow:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Depreciation - Historical Cost	172,948	143,160	43,557	43,525
Depreciation - Revaluation surplus	86,290	89,798	7,697	7,697

During the year, 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, 2016 of Baht 3.46 million.

During the year 2016, the Company and subsidiaries are unable to apply the alternative method per Notification No. 25/2549 issued by the Federation of Accounting Profession (FAP), with reference to the accounting method detailed in Notification No. 18/2011 issued by the FAP announced in Royal Government Gazette on May 6, 2011, which allows the Company and subsidiaries to continue using the method stipulated in Notification No. 25/2549.

For the purpose of comparative financial statements, the Company and subsidiaries restated the statement of profit or loss and other comprehensive income for the years ended December 31 2015 as follow:

	Unit: Thousands Baht					
	Consolidated financial statements			Separated financial statements		
	Before restated	After Restated	After restated	Before restated	After Restated	After restated
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
FOR THE YEARS ENDED DECEMBER 31, 2015						
Cost of sale and services						
Cost of hotel business						
Depreciation - Revaluation surplus of assets	-	(26,806)	(26,806)	-	(7,697)	(7,697)
Cost of rental and services						
Depreciation - Revaluation surplus of assets	-	(62,992)	(62,992)	-	-	-
Income tax (expense) revenue	(49,225)	16,879	(32,346)	454	1,539	1,993
Net profit for the year	368,188	(72,919)	295,269	301,031	(6,158)	294,873
Other comprehensive income						
<i>Items that will not be reclassified to profit or loss:</i>						
Changes in revaluation surplus	727,759	(61,385)	666,374	(7,697)	7,697	-
Income tax on other comprehensive income relating to items that will not be reclassified	(145,710)	12,440	(133,270)	1,539	(1,539)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Difference on exchange rate from currency translation	20,590	4,585	25,175	-	-	-
Other comprehensive income for the year	602,639	(44,360)	558,279	(6,158)	6,158	-
Total comprehensive income for the year	970,827	(117,279)	853,548	294,873	-	294,873
Basic earnings per share (Baht):	11.28	(2.20)	9.08	9.41	(0.20)	9.21

This does not effect the statements of financial positions.

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					Balance as at December 31, 2016
	Consolidated financial statement					
Balance as at January 1, 2016	Restated	Increased (amortization) during the year	Deferred tax liability decreased (Increased)	Difference from foreign exchange rates		
Land	2,373,282	(117,279)	117,335	(23,467)	(199)	2,349,672
Building Construction						
Public utility system	2,839,451	-	34,491	(6,898)	(97)	2,866,947
Building improvement and Construction	8,728	-	-	-	-	8,728
Total excess of revaluation surplus	5,221,461	(117,279)	151,826	(30,365)	(296)	5,225,347
<u>Less</u> Accumulated revaluation surplus - write-off	(595,196)	-	(86,291)	17,276	2	(664,209)
Total revaluation surplus	4,626,265	(117,279)	65,535	(13,089)	(294)	4,561,138
<u>Less</u> Non-controlling interest - net	(108,737)	680	3,136	(628)	-	(105,549)
Total revaluation surplus - net	4,517,528	(116,599)	68,671	(13,717)	(294)	4,455,589

As at December 31, 2016, a subsidiary, Asia Pattaya Hotel Co., Ltd. has restated its financial statements regarding the account of property, plant and equipment and revaluation surplus of assets for the financial statements year ended December 31, 2015 with no effect on the statements of profit or loss and other comprehensive income.

The effects to consolidated of financial position as at December 31, 2015 are as follows:

	Unit: Thousands Baht		
	Consolidated financial statement		
	Before restated	Restated	After restated
STATEMENTS OF FINANCIAL POSITION			
Property, plant and equipment - net	8,827,736	(146,599)	8,681,137
Deferred tax liabilities	1,147,038	(29,320)	1,117,718
Other components of equity	4,552,248	(116,599)	4,435,649
Non-controlling interests	146,734	(680)	146,054

	Unit: Thousands Baht			
	Seperated financial statement			
	Balance as at	Increased	Deferred	Balance as at
	January 1, 2016	(amortization) during the year	tax liability decreased (Increased)	December 31, 2016
Land	1,073,472	117,336	(23,467)	1,167,341
Building and construction	280,951	34,491	(6,898)	308,544
Total excess of revaluation surplus	1,354,423	151,827	(30,365)	1,475,885
<u>Less Accumulated revaluation surplus- write-off</u>	<u>(59,279)</u>	<u>(7,697)</u>	<u>1,539</u>	<u>(65,437)</u>
Total revaluation surplus - net	<u>1,295,144</u>	<u>144,130</u>	<u>(28,826)</u>	<u>1,410,448</u>

As at December 31, 2016, the Company revalued its property according to the report of the independent appraiser. As a result, the surplus increased by Baht 121.46 million (net from income tax).

15. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, 2016 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statement			
	Balance as at	Movement during the year		Balance as at
	January 1, 2016	Increased/Transfer	Decreased/Transfer	December 31, 2016
Cost				
Computer Software	10,785	2,175	-	12,960
Accumulated amortization				
Computer Software	(8,054)	(785)	-	(8,839)
Intangible assets - net	<u>2,731</u>			<u>4,121</u>
	Unit: Thousands Baht			
	Seperated financial statement			
	Balance as at	Movement during the year		Balance as at
	January 1, 2016	Increased/Transfer	Decreased/Transfer	December 31, 2016
Cost				
Computer Software	3,022	1,529	-	4,551
Accumulated amortization				
Computer Software	(2,484)	(217)	-	(2,701)
Intangible assets - net	<u>538</u>			<u>1,850</u>

Amortization for the years ended December 31, 2016 and 2015 in the consolidated statement of profit or loss are Baht 0.76 million and Baht 0.75 million, respectively and in the separate statements of profit or loss are Baht 0.22 million and Baht 0.11 million, respectively.

16. DEFERRED TAX

Deferred tax as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht					
	Consolidated financial statements					
	Assets		Liabilities		Net	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Property, plant and						
equipment - revaluated	-	-	1,137,525	1,123,997	1,137,525	1,123,997
Land rental	-	-	10,072	7,557	10,072	7,557
Employee benefit obligation	(13,772)	(11,919)	-	-	(13,772)	(11,919)
Deferred income - leasehold						
rights on area	(5,337)	(6,196)	-	-	(5,337)	(6,196)
Tax loss carried forward	(13,081)	(13,081)	-	-	(13,081)	(13,081)
Depreciation	-	-	21,216	10,769	21,216	10,769
Others	(5,669)	(11,712)	-	-	(5,669)	(11,712)
Total	(37,859)	(42,908)	1,168,813	1,142,323	1,130,954	1,099,415
Income tax offsetting	20,404	24,605	(20,404)	(24,605)	-	-
Deferred tax (assets)						
and liabilities - net	(17,455)	(18,303)	1,148,409	1,117,718	1,130,954	1,099,415

	Unit: Thousands Baht					
	Separate financial statements					
	Assets		Liabilities		Net	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Inventories	(27)	(27)	-	-	(27)	(27)
Property, plant and						
equipment - revaluated	-	-	352,612	323,786	352,612	323,786
Employee benefit obligation	(6,804)	(6,549)	-	-	(6,804)	(6,549)
Tax loss carried forward	(13,081)	(13,081)	-	-	(13,081)	(13,081)
Total	(19,912)	(19,657)	352,612	323,786	332,700	304,129
Income tax offsetting	19,912	19,657	(19,912)	(19,657)	-	-
Deferred tax						
liabilities - net	-	-	332,700	304,129	332,700	304,129

Income tax expense for the years ended December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Corporate income tax expense	(13,844)	(29,434)	-	-
Deferred income taxes income (expense)	(1,498)	(2,911)	2,142	1,993
Income tax (expense) revenue	(15,342)	(32,345)	2,142	1,993

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	
	2016	2015	2016	2015
Profit before income tax	21,500	327,615	43,312	292,880
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	4,300	65,523	8,662	58,576
Non-deductible expenses by the Revenue Code	2,443	5,342	414	271
Allowance by the Revenue Code	(584)	(206)	(584)	(196)
Dividend income	-	-	(10,671)	(16,384)
Non-taxable income	(2,045)	(42,220)	-	(42,220)
Unused tax loss	1,372	-	37	-
Benefit from taxable loss	-	(2,040)	-	(2,040)
Net loss in current year, not recognized as deferred tax	5,319	-	-	-
Inter-company transactions	-	(119)	-	-
Adjustment on deferred tax assets	3,677	4,985	-	-
Difference from income tax rate	612	1,080	-	-
Other	248	-	-	-
Income tax expense (income)	15,342	32,345	(2,142)	(1,993)
The average effective tax rate	71%	10%	-5%	-1%

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:

Expiry date	Unit: Million Baht	
	Consolidated	Separate
	financial statements	financial statements
2017	71.54	50.25
2018	13.58	-
2019	33.74	11.77
2020	11.56	-
2021	33.27	-
Total	163.69	62.02

According to Royal Decree No. 577 B.E. 2557 dated November 10, 2014, the corporate income tax rate were at 20 % on net profit for the accounting periods beginning on January 1, 2015 to December 31, 2015. According to Act No. 42 B.E. 2559 dated March 3, 2016, the corporate income tax rate will be continue 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.

17. PREPAID RENTAL - NET

Prepaid rental – net as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Beginning balance	353,253	325,165	33,915	33,915
Increase during year	29,035	28,088	-	-
Total	382,288	353,253	33,915	33,915
Less Accumulated amortization	(230,993)	(207,445)	(24,388)	(23,175)
Prepaid rental - net	151,295	145,808	9,527	10,740

Amortization for the years ended December 31, 2016 and 2015 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, 2559 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.

As at December 31, 2016, the subsidiary paid a deposit for purchase of assets at Baht 24 million.

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

Bank overdraft and short-term loan from financial institution as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Bank overdraft	72,131	25,991	27,432	7,649
Trust receipt	100,000	-	40,000	-
Total bank overdraft and short-term loan from financial institution	172,131	25,991	67,432	7,649

As at December 31, 2016 and 2015, the Company and subsidiaries had the credit facilities for loans as follows:

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

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

A subsidiary—Asia Airport Hotel Co., Ltd.: Baht 10 million was guaranteed by the directors of the Company, Asia Hotel Public Company Limited, and leasehold right on Zeer Rangsit Complex.

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

20. OTHER PAYABLES

Other payables as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Accrued expenses	46,049	52,908	16,013	16,571
Guarantee and deposit	4,069	4,387	2,929	2,916
Advance received	8,956	9,323	316	176
VAT payable and output tax	4,958	5,877	1,562	2,018
Retention	15,321	17,794	94	623
Others	9,741	6,509	339	502
Total other payables	89,094	96,798	21,253	22,806

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution - net as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Long-term loans from banks	1,861,203	2,041,581	667,000	747,500
<u>Less</u> current portion of long-term loans from financial institutions	(193,326)	(229,182)	(56,000)	(90,000)
Total long-term loans - net	1,667,877	1,812,399	611,000	657,500

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.

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

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

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

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

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

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

Under the 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.

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.

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 and Baht 80 million has not been withdrawn yet with interest rate at MLR-0.25% per annum for the 1st – 2nd year and at MLR per annum for the 3rd year onwards, through 120 monthly installments. The loan is graced for principal payment for the first 18 installments. The loan is repaid in August 2011 and will be completed in January 2020.

And on February 27, 2015, 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.

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 Company.

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.

The Company and its two subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd., mortgaged land with its construction together with leasehold right on space in Zeer Rungsit Complex for 39,380 square meters which is the location of Asia Airport Hotel and the guarantee from related companies and some directors of the Company and of the subsidiaries as collateral for the loans from bank in facilities Baht 1,470 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., mortgaged investment properties, land with its construction (Cha-am Project), leasehold right (sub-contract) of Zeer Rungsit Complex, and the guarantee from related companies, related persons and some directors of Zeer Property Plc. as collateral for its loans from bank in facilities Baht 1,678 million.

22. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Due not later than one year				
Minimum payments	1,560	281	281	281
Deferred interest	(264)	(51)	(37)	(51)
Liabilities under financial lease – net	<u>1,296</u>	<u>230</u>	<u>244</u>	<u>230</u>
Due later than one year but not later than five				
Minimum payments	4,573	859	577	859
Deferred interest	(394)	(71)	(33)	(71)
Liabilities under financial lease – net	<u>4,179</u>	<u>788</u>	<u>544</u>	<u>788</u>
Net book value of vehicles				
under finance leases agreements	<u>6,108</u>	<u>1,191</u>	<u>943</u>	<u>1,191</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

Movements of the present value of employee benefits obligation for the years ended December 31, 2016 and 2015 are as follows:

	Unit: Thousand Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statement	
	2016	2015	2016	2015
Employee benefit at beginning of year	61,067	54,778	32,743	30,472
Included in profit or loss:				
Current service cost	6,659	8,116	2,917	4,345
Interest cost	2,072	1,894	1,128	1,031
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	(2,099)	(3,721)	(1,031)	(3,105)
Employee benefit obligations at end of year	68,859	61,067	34,023	32,743

Employee benefit expenses in profit or loss for the year ended December 31, 2016 and 2015, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2016	2015	2016	2015
Cost of sales	4,479	4,202	2,131	1,912
Selling expenses	472	518	-	-
Administrative expenses	3,780	5,290	1,914	3,464
Total employee benefit expenses	8,731	10,010	4,045	5,376

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.

Principal actuarial assumptions as at December 31, 2016 and 2015 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Discount rate	2.32-2.46 %	3.44-3.59%	2.32%	3.44%
Salary rate increases in the future	4-5%	4%	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%	26-41%	25%	41%
31 - 40 years old	14-20%	20-41%	17%	41%
41 - 50 years old	8-14%	11-21%	8%	21%
51 - 55 years old	6-7%	11-13%	7%	12%
Above 55 years old	0%	0%	0%	5%
Daily employees				
Under 31 years old	38-46%	26-59%	38%	59%
31 - 40 years old	33-46%	20-59%	33%	59%
41 - 50 years old	24-30%	20-43%	24%	43%
51 - 55 years old	14-23%	27%	23%	27%
Above 55 years old	0%	0%	0%	0%
Retire	60 1/2	60 1/2	60 1/2	60 1/2

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2016 are summarized below:

	Unit: Thousand Baht			
	Change of the present value of the employee benefit obligations			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,400)	3,826	(1,601)	1,793
Salary rate increases in the future	3,365	(3,053)	1,431	(1,304)
Turnover rate	(3,681)	2,045	(1,723)	895

As at December 31, 2016, the maturity analysis of undiscounted cash flows of benefit payments is as follows:

	Unit: Thousand Baht	
	Consolidated financial	Separate financial
	statement	statement
Within 1 year	6,766	2,033
Over 1 and up to 5 years	41,574	23,307
Over 5 years	20,519	8,683
	<u>68,859</u>	<u>34,023</u>

24. GUARANTEE FOR RENTAL

Guarantee for rental as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Asia Hotel Plc.	13,684	11,371	13,684	11,371
Asia Airport Hotel Co., Ltd.	778	799	-	-
Asia Pattaya Hotel Co., Ltd.	262	212	-	-
Zeer Property Plc.	166,879	168,247	-	-
Total	<u>181,603</u>	<u>180,629</u>	<u>13,684</u>	<u>11,371</u>

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

25. DEFERRED INCOME – LEASEHOLD RIGHTS ON LEASED AREA

Deferred income – leasehold rights on leased area as at December 31, 2016 and 2015 are as follows:

	Unit: Thousands Baht	
	Consolidated financial statement	
	December 31, 2016	December 31, 2015
Deferred income-leasehold rights on lease area	223,922	223,922
<u>Less</u> Accumulated amortization	(181,344)	(174,114)
Deferred income-leasehold rights on lease area	42,578	49,808
<u>Less</u> Current portion	(8,278)	(8,278)
Net	<u>34,300</u>	<u>41,530</u>
Deferred income is recognized as revenue as follow :		
Within 1 year	8,278	8,278
Over 1 year but not over 5 years	27,866	27,866
Over 5 years	6,434	13,664
Total	<u>42,578</u>	<u>49,808</u>

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

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 at each dividend declaration until the reserve reaches an amount not less than 10% of the authorized common share capital. The legal reserve is not available for dividend distribution.

27. DEIVIDEND PAYMENTS

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 on May 19, 2016.

The Board of Director Meeting No. 8/2015 held on August 13, 2015 approved to pay an interim dividend for operating result from January 1, 2015 to June 30, 2015 at the rate of Baht 2.25 per share totaling Baht 72 million. The shareholders' names who have right to receive dividend will be determined on August 27, 2015 and the collection of name lists under Section 225 of Securities and Exchange Acts was based on register book closing on August 28, 2015. The dividend payment is dated on September 9, 2015.

According to the Annual Shareholders' Meeting No. 53 held on April 20, 2015, the shareholders passed the resolution to pay dividend for operating result from January 1, 2014 to December 31, 2014 at the rate of Baht 3.25 per share of 32 million shares totaling Baht 104 million. The Company paid interim dividend at the rate of 2.00 Baht per share totaling Baht 64 million on September 12, 2014. Therefore, the remaining dividend to be paid at the rate of Baht 1.25 per share in the amount of Baht 40 million which was on May 19, 2015.

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2016, the Company and subsidiaries had the contingent liabilities, as follows:

28.1 Letters of guarantee issued by banks are as follows:

28.1.1 The Company: in the amount of Baht 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 989.50 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 1,765 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 subsidiary.
- 28.6 The subsidiary– Zeer Property Plc. has obligation to pay for construction project in the future as at December 31, 2016 in the amount of Baht 49.20 million.

29. INFORMATION BY SEGMENT

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

The financial information of the Company and its subsidiaries by geographical segment, for the year ended December 31, 2016 and 2015 are as follows:

	Unit: Thousand Baht									
	Domestics						Oversea		Total	
	Room		Food and beverage		Rental and services		Rental and services			
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Income from hotel business	400,074	433,077	261,293	319,955	-	-	-	-	661,367	753,032
Cost of hotel business										
Cost of hotel business	(222,554)	(237,062)	(220,616)	(227,747)	-	-	-	-	(443,170)	(464,809)
Depreciation - Revaluation surplus of assets	(20,317)	(23,229)	(2,849)	(3,577)	-	-	-	-	(23,166)	(26,806)
Income from rental and service	-	-	-	-	602,688	592,315	17,641	19,371	620,329	611,686
Cost of rental and service										
Cost of rental and service	-	-	-	-	(384,236)	(356,819)	(8,481)	(8,314)	(392,717)	(365,133)
Depreciation - Revaluation surplus of assets	-	-	-	-	(62,658)	(62,538)	(467)	(454)	(63,125)	(62,992)
Gross profit	157,203	172,786	37,828	88,631	155,794	172,958	8,693	10,603	359,518	444,978
Others income									82,735	88,693
Profit before expense									442,253	533,671
Selling expenses									(67,851)	(84,802)
Administrative expenses									(218,020)	(199,581)
Management benefit expenses									(15,689)	(14,524)
Directors' remuneration									(3,300)	(3,247)
Reversal of provision for doubtful debt (Doubtful debt)									(2,555)	209,357
Financial cost									(113,338)	(113,259)
Profit before corporate income tax									21,500	327,615
Corporate income tax									(15,342)	(32,346)
Net profit for the year									6,158	295,269
Attributable to										
Equity holders of the parent									3,525	290,684
Non-controlling interests									2,633	4,585
									6,158	295,269

Segment information on geographic of the Company and subsidiaries as at December 31, 2016 and 2015 were as follows:

	Unit: Thousands Baht					
	Domestic		Overseas		Total	
	2016	2015	2016	2015	2016	2015
Investment properties - net	67,656	71,430	-	-	67,656	71,430
Property, plant and equipment - net	8,382,880	8,339,431	265,892	270,276	8,648,772	8,609,707
Total assets	8,862,586	8,821,031	295,611	292,690	9,158,197	9,113,721

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, 2016 and 2015 in amount of Baht 7.95 million and Baht 7.56 million, respectively in consolidated financial statements and Baht 3.54 million and Baht 3.35 million, respectively in separate financial statements.

31. OTHER INCOME

Other income for the years ended December 31, 2016 and 2015 are as follows:

	Unit : Thousands Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Health club and car parking	5,234	5,255	3,595	3,336
Rental, service and electricity	55,904	53,381	48,997	46,655
Gain on exchange rate	716	6,804	635	681
Gain from sale of assets	166	222	51	69
Income on insurance compensation	215	3,952	-	-
Others	20,500	19,079	5,055	5,632
Total	82,735	88,693	58,333	56,373

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	
	2016	2015	2016	2015
Salaries, wages and other benefits for employee	388,012	374,481	162,294	163,614
Depreciation	172,948	143,160	43,557	43,525
Depreciation - Revaluation surplus	86,290	89,798	7,697	7,697
Change in inventories	36	1,981	(99)	1
Electricity and water	214,369	229,756	34,580	38,487
Cost of foods and beverage	92,773	101,427	51,008	51,917
Repair and maintenance	49,903	59,922	17,308	12,077
Advertising and sale promotion	32,124	47,410	7,302	7,637
Property tax	23,703	15,766	8,490	8,038

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 provision for doubtful accounts, represents the Company's maximum exposure to credit risk.

Fair value of financial instruments

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

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

37. IMPACT FROM FLOOD CRISIS AND FIRE

37.1 From the severe flood crisis in Thailand in 2011, the subsidiary, Zeer Property Plc., has been affected from the damaged assets with the carrying value in amount of Baht 13.91 million. The subsidiary has insurance coverage for loss or damage from flood. The subsidiary has received partial compensation in the amount of Baht 30 million. At present, the subsidiary has filed civil lawsuits against two insurance companies to claim for the compensation. On November 7, 2014, the subsidiary received the compensation from the damage of Baht 3.10 million from a litigation case. An another case (2 plaintiffs) is still pending in the court.

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.

As at December 31, 2016, an appeal is under the court's consideration whether to accept or reject the petition.

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

38. RECLASSIFICATION

A subsidiary, Zeer Property Plc., has reclassified its property (Apartment Project) from "Property, Plant and Equipment" to "Investment Properties". This is reclassification only in the statement of financial position and there is no effect to statements of profit or loss and other comprehensive income.

The Company and subsidiaries have reclassified certain accounts in the statement of profit or loss and other comprehensive income for the year ended December 31, 2015 to conform to the presentation of the financial statements of current period.

The effects to consolidated financial position as at December 31, 2015 and January 1, 2015 and the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015 are as follows:

	Unit: Thousands Baht		
	Consolidated financial statements		
	As previously reported	Reclassification	After reclassification
STATEMENTS OF FINANCIAL POSITION			
AS AT DECEMBER 31, 2015			
Investment properties - net	-	71,430	71,430
Property, plant and equipment - net *	8,827,736	(71,430)	8,756,306
* The effect of the reclassification mentioned above and that from Note 14 to the Financial Statements, Property, plant and equipment - net generated the balance after reclassification and restatement of Baht 8,609,707,443.			
STATEMENTS OF FINANCIAL POSITION			
AS AT JANUARY 1, 2015			
Investment properties - net	-	84,306	84,306
Property, plant and equipment - net	7,952,075	(84,306)	7,867,769
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
FOR THE YEAR ENDED DECEMBER 31, 2015			
Cost of hotel business	(472,440)	7,631	(464,809)
Cost of rental and services	(373,485)	8,352	(365,133)
Selling expenses	(84,677)	(126)	(84,803)
Administrative expenses	(183,723)	(15,858)	(199,581)

39. EVENTS AFTER THE REPORTING PERIOD

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. The subsidiary, Zeer Property Plc., joint invests in this subsidiary and holds the interest at 71.43% of the registered capital.

On February 6, 2017, the subsidiary, Zeer Property Plc. entered into the loan agreement with the financial institution of Baht 80 million for the investment in subsidiary (Spa Hotel Co., Ltd.) and on February 15, 2017, entered into the loan agreement of USD 3.8 million for Stand By Letter of Credit (SBLC) facility in order to use as security for its subsidiary, ZEER OVERSEA LLC.

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 and already paid share capital at full amount.

40. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on February 24, 2017.

Details of Directors as of December 31, 2016

Attachment 1

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
1. Dr. Amorn Techaruvichit Authorized Director Vice Chairman, As director since year 1981 Age 70 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
2. Mr.Surapong Techaruvichit Authorized Director Executive Director Managing Director Appointed on 18 February,2014 Age 58 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
3. Mrs.Pornpun Tanariyakul Authorized Director Executive Director Deputy Managing Director As director since year 2000 Age 57 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

Details of Directors as of December 31, 2016 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years		Type of Business
4. Mrs.Suvimol Techaruvichit Director Age 84 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. Oyetip	1992- Present 1972 - Present 1966 - Present	Director, Asia Airport Hotel Co.,Ltd. Director, Asia Pattaya Hotel Co.,Ltd. Director, Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1989 - Present 1988 - Present	Chairman, Pamatoy Co.,Ltd. Director, A.B.K. Enterprise Co.,Ltd.	Manufacture Holding Company
5. Mr.Piyawudh Senapoopitaksa Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 88 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-	Jan 2010 - Present May 1999- Present 1992 - Aug.2013 1972 - Aug.2013 1968 - Present	Nomination and Remuneration Committee Member, ASIA Audit Committee Member, Asia Hotel Public Company Limited. Director, Asia Airport Hotel Co.,Ltd. Director, Asia Pattaya Hotel Co.,Ltd. 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 Aug.2013 - Present Aug.2013 - Present	Director, A.B.K. Enterprise Co.,Ltd Advisor to MD, Asia Airport Hotel Co.,Ltd. Advisor to MD, Asia Pattaya Hotel Co.,Ltd.	Holding Company Hotel & Rest. Hotel & Rest.
6. Mr.Sombut Pupipathirunkul Director (Independent Director) Audit Committee Member and Nomination and Remuneration Committee Chairman Age 78 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 May 1999- Present 1992 - Aug.2013 1989 - Present	Nomination and Remuneration Committee Chairman, ASIA Audit Committee Member, Asia Hotel Public Company Limited. Director, Asia Airport Hotel Co.,Ltd. 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 Aug.2013 - Present	Director, A.B.K. Enterprise Co.,Ltd Advisor to MD., Asia Airport Hotel Co.,Ltd.	Holding Company Hotel & Rest.

Details of Directors as of December 31, 2016 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
7. Mr.Suwat Dusitrojanawongse Director (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 71 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 38 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 - Present 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 58 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, 2016

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 58 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 57 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 54years	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, 2016 (continued)

Name	Educational Background	No. of Share Held	Family Relationships	Experience for the past 5 years	Type of Business
4. Mr.Theerarath Techaruvichit Asst.to Managing Director Age 37 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 53 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 45 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 48 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 62 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, 2016 (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 50 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 37 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 36 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 59 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 71 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. Amorn	Techaruvichit	/	/, //	/, //	
2. Mr. Surapong	Techaruvichit	/, //	/, //	/, //	
3. Mrs. Suvimol	Techaruvichit	/	/	/	
4. Mr. Piyawudh	Senapoopitaksa	/			
5. Mr. Sombut	Pupipathirunkul	/			
6. Mr. Suwat	Dusitrojanawongse	/			
7. Mrs. Pornpun	Tanariyakul	/, //	/, //	/, //	
8. Dr. Chotima	Puasiri	/			
9. Pol.Maj.Gen Supchan	Manutham				X
10. Mr. Surapol	Techaruvichit				/, //
11. Mr. Tosapol	Vachiradaecha				/, //
12. AM Choomsak	Skulratana				/
13. Gen. Tawatchai	Boonsri				/
14. Mr. Anant	Gatepithaya				/
15. Mr.Somboon	Fusriboon				/
16. Mr. Surayuth	Panchavinin				/
17. Mr.Ekachai	Pattaranutaporn				/
18. Mr.Theerayuth	Ruengkititru				/
19. Miss Aree	Sayasaevee				/
20. Mrs. Oyetip	Hayrabut	//, ///			
21. Mr. Theerarath	Techaruvichit	//, ///			
22. Mr. Kriengsak	Jumaree	///			
23. Miss Ganlayanee	Rounggrayabchai	///			
24. Mr.Suporn	Srisutanyawong	///			
25. Miss Patcharanee	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
 Recruiting for new Chairman of Hotel Groups in process.

ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ56-1) ที่แสดงไว้ในเว็บไซต์ www.sec.or.th หรือเว็บไซต์ของบริษัท www.asiahotel.co.th”

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

ANNUAL REPORT 2016



ASIA HOTEL GROUP

Bangkok-Pattaya-Airport-Cha-am