

ANNUAL REPORT 2018

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BANGKOK



CHIANGMAI

Darley Hotel Chiangmai



Rajchapruerk Lanna Boutique



AIRPORT



PATTAYA



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ASIA HOTEL GROUP

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Definition

ASIA	means	Asia Hotel Public Company Limited
AP	”	Asia Pattaya Hotel Co., Ltd.
AA	”	Asia Airport Hotel Co., Ltd.
ZP	”	Zeer Property Public Company Limited
ZA	”	Zeer Asset Co., Ltd.
ZO	”	Zeer Oversea LLC.
SPA	”	Spa Hotel Co., Ltd.
ABK	”	A.B.K. Enterprise Co., Ltd.
DM	”	Don Muang Grand Plaza Co., Ltd.

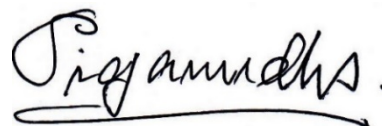
Message from Chairman

Thailand's tourism situation in 2018 is more satisfying with 38.28 million foreign tourists entering Thailand, an increase of 7.64% in previous year that can generate tourism revenue of 2 trillion baht. Also it is a quality tourists increased travel expenses per head. The government has a new policy to focus on tourism industry, in the secondary cities since last year until 2019, creating in a tourist industry expenses, regarding accommodation fees bring able to deduct corporate income tax to encourage Thai tourists to increased and stimulating the economy, generate income in the country thoroughly.

In the year 2018, the Company and its subsidiaries operated hotels ("Asia Hotel Group") has hotel business revenue of 740.30 million baht, which increased 4.25 percent from the previous year, resulting from the increased occupancy rate at Asia Hotel, Bangkok. Most of tourists are customers who make an online reservation and wish to stay in the city center. In addition, the subsidiary provides 3 new hotels, 2 domestic hotels, "Darley Hotel Chiang Mai", "Ratchapruek Lanna Boutique", located in Chiang Mai which is currently being publicized and the abroad hotel is "Quality Inn Long Beach Airport" in Long Beach, USA, which has a good occupancy rate and is expected to contribute higher revenue in the future.

The subsidiary company that operates the rental business is Zeer Property Public Company Limited and its subsidiary, "Zeer Rangsit Shopping Center", with a total revenue of 595.77 million baht, slightly decreased from the previous year 2.37% due to the economic slowdown, new managing rental space, renovating the front area of the building in early 2018, recently are completed. It is expected in revenue of Zeer Shopping Center in this year increased.

Management of the Asia Hotel Group and the Zeer Rangsit shopping center group expect in 2019 to be the year that will be able to increase revenue and return to shareholders same as last year, with the expansion of the existing hotel and real estate businesses and growing emphasis on sustainable business operations, comply with the anti-corruption policy, taking into account all groups of stakeholders, join activities for communities, society and the environment. To the organization progress steadily, I on behalf of Board of Directors and Management, would like to thank our customers who use our services, all levels employees who provide good service and shareholders of the company that has always given confidence in the operation of the company.



Piyawudh Senapoopitaksa
Chairman

BOARD OF DIRECTOR



นายปิยะวุดฒ เสนาภู่พิทักษ์
MR. PIYAWUDH SENAPOOTITAKSA
ประธานกรรมการ (กรรมการอิสระ)
CHAIRMAN (INDEPENDENT DIRECTOR)



นายอมร เตชะหฺรฐวิจิตร
MR. AMORN TECHARUVICHIT
รองประธานกรรมการ
VICE CHAIRMAN



นายสุรพงษ์ เตชะหฺรฐวิจิตร
MR. SURAPONG TECHARUVICHIT
กรรมการผู้จัดการ
MANAGING DIRECTOR



นางสุวิมล เตชะหฺรฐวิจิตร
MRS. SUVIMOL TECHARUVICHIT
กรรมการ
DIRECTOR



นางพรพรรณ ตันอริยกุล
 MRS. PORNPUN TANARIYAKUL
 กรรมการรองผู้จัดการ
 DEPUTY MANAGING DIRECTOR

BOARD OF DIRECTOR



นางอ้อยทิพย์ เหารบัตย์
 MRS. OYETIP HAYRABUT
 กรรมการรองผู้จัดการ
 DEPUTY MANAGING DIRECTOR



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



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



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



นายพลภัทร์ เตชะหฺรวิจิตร
 MR. POLPAT TECHARUVICHIT
 กรรมการ
 DIRECTOR



นางสาวภัชชา เตชะหฺรวิจิตร
 MISS PATCHA TECHARUVICHIT
 กรรมการ
 DIRECTOR

PART 1
Business Operation

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 4 hotels “Asia Airport Hotel” located at Zeer Rangsit Building, Phaholyothin Roadside, Lamlukka District, Pathumthani, “Asia Cham Hotel” located at Cha-am seaside, Petchaburi Province, “The Darley Hotel Chiangmai” located at Chang Moi, Ampue Mueang, Chiang Mai and Ratchapruek Lanna Boutique” located Ampue Hang dong, Chiang Mai.

Shopping Center Business (Rental Area Business)

Includes the Zeer Property Public Company Limited (ZP), a subsidiary company that manages “ZeerRangsit Shopping Center” located at Phaholyothin Road, Lamlukka District, Pathumthani. ZP has other 3 subsidiary companies running real estate business such as

1. Zeer Asset Company Limited (ZA) running real estate business and renting “Ratchapruek Lanna Boutique”
2. ZEER OVERSEA LLC (ZO) running the shopping center business at Los Angeles, USA, and manage hotel business in USA. “Quality Inn Long Beach Airport” located Signal Hill, CA. USA.
3. Spa Hotel Company Limited. (SPA) is also a real estate business running a shopping mall “Laan Sook Plaza” this project is under development and “The Darley Hotel Chiangmai” at Chang Moi, Amphoe Mueang, Chiang Mai. This hotel is opening in October 2018.

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.

The Darley Hotel Chiangmai: It is located in the heart of city which is near to Waroros market. It supports Foreign and Thai clients who want convenient and modern styles such as internet booking and check-in system online.

Ratchapruek Lanna Boutique: It is located in Ampue Hang dong Chiang Mai, near Suan Luang Rachapruek. It supports Foreign and Thai clients, middle to high class who like natural and peace including service package, accommodation - travel - health care.

Shopping Center Business (Rental Area Business): the objective is to develop communities locating at the northern area of Bangkok and all neighboring Provinces. It has facilities such as a large shopping center located on of more than 88 Rai of the land. Currently, it is promoted to be IT Shopping Center under the name of “Zeer Rangsit Shopping Center” and there are two extension projects of Zeer Rangsit, one is “The Hub Shopping Center”. The concept of ‘The Hub Shopping Center’ is to be the wholesale and retail cloths destination for customers in the north and northeast of Thailand, which conected to Zeer Rangsit building. The other project is “AA-Town Apartment”, a residential project becomes apartments for worker groups at neighboring area are able to rent a room at reasonable price and occupancy almost 90%.

The subsidiary company also invested in property which is located in the heart of the Chiang Mai in order to develop a shopping mall “Lan Sook Plaza” and a hotel “Darley Chieng mai Hotel”.

In 2018, The other subsidiary company invested a Project “Pratch Rajapruek Resort” located on 2-0-31 rais Tumbon Nongkwai, Aumpur Handong, Chieng Mai Province, named “ Project: Ratchapruek Lanna Boutique”

Moreover, the subsidiary company has expanded its business to Los Angeles, California, U.S.A. Last, In November 2018, the subsidiary company invested at Long Beach U.S.A., the Franchise Hotel “Quality Inn of Choice Internation Hotels” named “Quality Inn Long Beach Airport” it is far from the airport about 40 minutes, now it is opened.

1.2 Important Changes and Developments

Company’s History

Asia Hotel Public Company Limited (ASIA) established in 1966 by Techaruvichit Group with the register capital 17 million Baht. This Hotel is located at Phayathai Road which there area is 2 Rai and 9 level high of the building.

In 1972, ASIA had cooperated investment in Asia Pattaya Hotel Company Limited (AP) as 35% of registered capital as 12 million Baht. Asia Pattaya Hotel is located at Khoa-Pratumnak, Pattaya Beach, Chonburi Province. Afterward ASIA had increased their investment up to 99.42% and the registered capital is 120 million Baht.

Between 1986 – 1987, Asia Hotel had done their building renovation and construction to 601 guest rooms and provided Banquet Rooms and restaurant in the Hotel. In 1989, ASIA had registered with the Stock Exchange of Thailand (the SET) with the capital as 240 million Baht and the common stock amount of 24 million shares.

In 1992, ASIA had invested in Asia Airport Hotel Co., Ltd. (AA) to run hotel business, restaurant and service apartment as named “Asia Airport Hotel”. The location is at Kukot, Lumluka, Pathumthani Province. It is about 3 kilometers from Donmuang Airport. ASIA has stock share proportion in AA as 75% and has proportion through AP 24.99%. Consequently, these made ASIA holding AA’s shares 99.99%. Asia Airport Hotel Co., Ltd. has registered capital 300 million Baht and in late 1992, Asia Airport Hotel Co., Ltd. has also registered and reformed its company into Asia Airport Hotel Pub Co., Ltd. The company registered number is Bor Mor Jor 67.

In 1993, the ASIA has increased in registered capital to 500 million Baht, paid capital 320 million baht and it was divided the company’s common shares in to 32 million shares. The shares was valued as 10 Baht each. The company had disbursed to financial institution and turned some capital into working capital fund within the company.

In late of 2000, ASIA adjusted liability for A.B.K. Enterprise Company Limited (ABK) which is a large company and being a debtor of ASIA. This liability adjustment resulted that ASIA hold Zeer Property Public Co. Ltd. (ZP) which own the rental area for especially IT center named Zeer Rangsit Project.

The occurrence in 2000 brought into three subsidiary company establishment which are Asia Pattaya Hotel Co., Ltd., Asia Airport Hotel Co., Ltd. and B.K. Ratchatevi Enterprise Company Limited (included Zeer Property Public Co. Ltd.)

Before 2000, ZP invested in four further companies in the proportion of 19%. Later on 2000 to 2001, ZP had distributed these all investment regarding these companies could not earn profits for ZP.

Since 1997 – 2000, the company had effected from economic recession. This incidence caused decelerated in tourist industry and led to decrease in number of tourist. Besides highly aggregating in the interest expenditure, these causes influenced company’s financial statement 2001. Furthermore, these causes also effected to company registration with the SET which categorized into REHABCO class. This classify indicates that the company is required for rehabilitation and obligated to suspended from securities trading since August 2002.

In late of December 2005, the company had reconstruction regarding classified shareholders. This related to distinctness and reductionism in our organization. Then the transformation of company structure will be as the following;

1. ASIA directly owned AA shares as 100% and
2. ASIA directly owned ZP shares as 73.98% and ASIA had dispensed investment fund of ZP for the entire portions. The determination was for unburden the company in forthcoming.

In the early of 2006, Asia Airport Hotel Co., Ltd., which is a subsidiary company, had done the increased capital registration from 300 million Baht to 660 million Baht. This investment had already disbursed for full amount and ASIA would hold the company shares in the same proportion.

Afterward the reconstruction of shareholding and the financial refurbishment by disbursed company liabilities with financial institute and inter-organization related liability, there was consequent to company's financial budget during 2005 – 2006. It was aggregation of shareholder proportion. There was also at least three quarter that the company could earn profit from our key business. This occurrences resulted that the company evened out to the SET which meant that the company can trade their shares and relapsed to ordinary business classify. On the 22nd January 2007 was the first date that the company did trade their share in the stock market again among Service Industry, classification Tourism.

January 2007, ZP did reduction of capital. Previously, the company registered authorized capital at 4 million shares and priced for 100 Baht each, total balance as 400 million Baht. Later ZP decreased its authorized capital to 1 million shares but still remaining shares priced, total balance as 100 million Baht. Reducing authorized capital of ZP resulted in decreased in accumulated deficit as 300 million Baht.

May 2007, ZP had augmented registered authorized capital more 3 million shares valued 100 Baht for each share, totally 300 million Baht. The authorized capital of ZP turned into 400 million Baht. ASIA as the major entrepreneur had approved ZP to newly issued ordinary shares following this ASIA had purchased the shares as its rights. This consent did confer with Advisory Plus Company Limited, which is the financial advisory company. The recommendation from advisory company mentioned that ZP has potential of development and also stated the company prosper for the year to come. ASIA owned 93.5% of ZP's authorized capital shares and this convey to empower of ASIA to administrate ZP obviously. This can reduce especially conflicts of interests between organizations.

August 2007, the Extraordinary General Meeting of Shareholders of ASIA approved the connected transaction, the type of land lease agreement with additional buildings and to make additional land lease agreements between ZP "tenant" with Donmuang Grand Plaza Company Limited (DM) which is a related company by transferring 8 rai of land of 59 square wah of AA to DM. ZP has leasehold rights in 78 rai 1 plot of land with buildings (Zeer Rangsit project location) extended for another 25 years (ending the contract on March 31, 2048) and having leasehold rights in the land of 8 rai 59 square wah for a period of 40 years 7 months (from 1 September 2007 to March 31, 2048). This related to usability benefits of ZP to both land regarding future investment and this will make profits for ASIA as well.

August 2008, ZP reduced its authorized capital from 4 million shares to 1 million shares. It was for conforming capital structure plan of ZP. Dropped accumulated loss was the significant purpose of ZP; however ASIA still held the equivalent shares percentage.

In December 2008, AA subsidized diminished its registered capital to 165 million Baht, comprised with ASIA was a shareholder 100% as the same. It was from 600 million Baht to 495 million Baht and valued 100 Baht for each share.

Formerly, AA subsidized company held ASIA's shares in amount of 3.79 million shares since 2007. However, it was a cross shareholding incidence that the company attempted to remedy the situation. This could be untangled by ASIA obtained entire shares from AA and partly for Asia Pattaya Hotel Co., Ltd. (AP), which is a subsidiary, resulted that AP held ASIA's shares amount 2.24 shares. End of year 2009, ASIA made an effort to amend this cross shareholding by trickling traded ASIA shares from AP. It was completed in 2011 and the cross shareholding are depleted recently.

November 2009, ZP has registered other subsidized company named Zeer Asset Company Limited (ZA) with 1 million Baht registered capital, 10,000 shares and valued at 100 Baht each share. ZP held 96.99% of ZA's shares. ZA run a real property business and its earliest project was at Cha-am Beach, Petchaburi Province. Later on December 2011, ZP had purchased the asset from ZA.

In April 2010, Extraordinary General Meeting of ZP's Shareholders 1/2010 had approved transforming the company into Public Company as the Zeer Property Public Company Limited (ZP) with its registered capital 225 million Baht, amount of 225 million shares and valued at 1 Baht of each share. Regarding the changing business classify registration, it was resulted in approaching to a company registered system of The SET.

Afterward, AA had participated in submit a tender to did contract of Asia Cha-am Hotel in 2010. After the submit AA took the liberty of renting and managing Asia Cha-am Hotel, where is at Cha-am Beach, Petchaburi Province from ZP. The contract had 3 years session and the hotel has established in December, 2010. The property provided 106 guests room rental and later on 2011 had additional built up 108 guests room rental. Summarily, Asia Cha-am Hotel has provided 214 guest room rental currently.

Meanwhile ZP founded ZEER OVERSEA LLC (ZO) in 2010 at United State of America with the capital registration US\$100,000. ZP held sharing as 94% of ZEER OVERSEA LLC for real asset investment objective. In April 2011 the ZEER OVERSEA LLC had invested in “Glendale Plaza”, which is shopping mall located at Glendale Boulevard, Los Angeles, California, US. The investment valued US\$6.29 million, approximately 190.5 million Baht.

Duration 2011 – 2012, ZP started new projects Zeer 2 (The Hub) and apartment rental business (AA Town Apartment). These two schemes constructed neighboring to Zeer Rangsit Building and approximated budget for the projects valued at 1,900 million Baht. The projects was completed in 2015.

August 2013, ZO, which is subsidized company of ZP, had arranged shareholder meeting on 16 August 2013, mentioned 1/2013. The meeting voted to increase capital for disbursement to ZP US\$5.66 million. Furthermore on 16 September 2013, ZP held the committee meeting 6/2013 and voted to approve the capital increment by converted ZO liabilities to investment instead. Previously ZP loaned to ZO US\$6.2 million; however once the adjustment ZO outstanding liabilities dropped to US\$5.66. This caused that ZO invested US\$5,760,000 in USA by ZP contributing US\$5,754,000. ZP shareholding ratio in ZO had adjust from 94% to 99.9%. This investment related to ZO capability of future business growth as accompaniment.

Mr. Kumpol Techaruvichit, who was Chairman of Director and Managing Director of ASIA, perished on 16 December 2013. Mr. Kumpol Techaruvichit was also Founder and Executive Director of ASIA Group more than 46 years. Afterward there was a committee meeting on 17 February 2014, mentioned 2/2014, appointed Mr. Surapong Techaruvichit being a Managing Director of ASIA Group. The voted became effective since 18 February 2014. For the committee members still on selection process by classified as Independent Directors. In order to, Mr. Amorn Techaruvichit duty on behalf of President and Vice-Chairman of the board of ASIA Group. At present, the Board of Directors appoints Mr. Piyawudh Senapoojitaksa, Independent Director, is the Chairman of the Board of Directors from March 13, 2018 onwards.

In February 2015, ASIA subsidized company, Zeer Property Public Company Limited, had delayed fundraising to be a registered company in The SET. It is because The Hub project had released the project amidst Economic Recession Crisis. This project then was retarded to obtain more information about gathering capital in various methods.

August 2016, there was a committee meeting between AA and ZP regarding signing contract of Asia Cha-am Hotel project. The arrangement indicated for extending contract for further 3 years, since December 2016 – December 2019.

ZP, as a subsidized company of ASIA, formed a new company named SPA HOTEL CO. LTD. (SPA) on October 2016, with the registered capital 140 million Baht. ZP is the main shareholder as 92%, the share valued as 10 Baht for each share. SPA transacts regarding shopping center business, Lan Sook Plaza and The Darley Hotel. They located at center of Chiang Mai, and closed to Warorot Market. The area included 2-2-93.3 Rai. At present, the project is developing to retails rental project and apartment for rent. For the Darley Hotel Chiang Mai already initiated on October 2018.

In February 2017, the organization had transformed their business segregation policy between ASIA Group (Hotel Business) and ZP (Rental Area Business). The intention of this policy was for avoiding the redundancy of the two-business group. Initially year 2017, there was a revision of the policy and apprehended that this policy was limited the business growth. Then during the committee meeting on February 2017, committees voted to cancel the business segregation policy. Then the policy was obliteration since that meeting approved the vote.

ZO had disbursed to ZP as amount of 99.08 million Baht (US\$3.16 million) on 4th August 2017. This resulted in changes of shareholding proportion from 99.9% at previously to 99.77% instead. It was also changed the investment capital amount 0.45 million Baht too. On November 1, 2018, the subsidiary, Zeer Property Plc., changed a proportion in shareholding of the subsidiary, ZEER OVERSEA LLC. from 99.79 % to 99.93 % from the 2nd increased capital by Baht 197.03 million (USD 6.1 million).

In April 2018, ZA, which is a subsidiary company of ZP, had invested in Prat Rajapruek Resort. This project regards hotel services at Hang Dong District, Chiang Mai. At present, the project was renamed to Ratchapruek Lanna Boutique and have started services from May 2018.

The 56th of Committee Meeting on 23 April 2018, the meeting voted to change the share valued from 10 Baht to 1 Baht in its place. This resulted that ASIA had ordinary shares as amount of 320 million shares. It

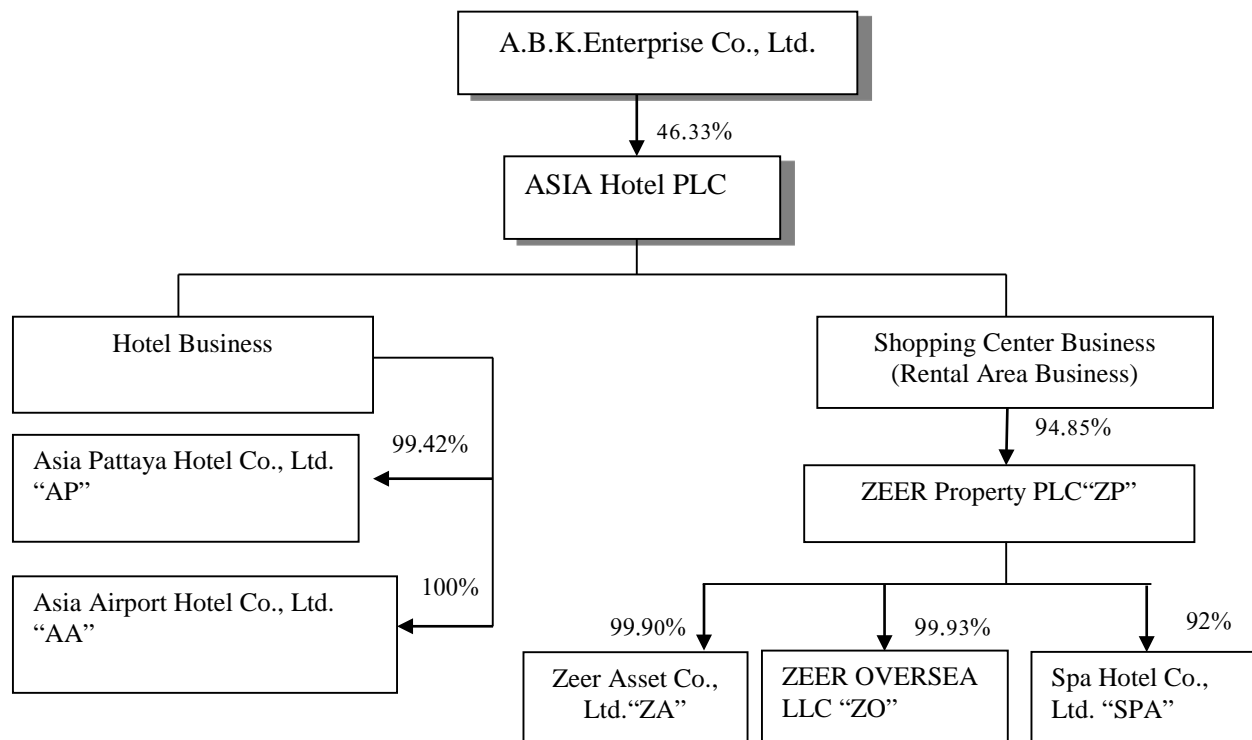
was increased the company liquidity of share trading in The SET. However, the change was not influencing the registered capital and paid-in capital of the company. The company also did mend the valued change with Ministry of Commerce on 11 May 2018.

Further, Zeer Oversea LLC, subsidiary of ZP, had invested in Quality Inn Long Beach at the US on November 2018. The hotel contains area of 1.3 acers or approximately 4.5 Rai. It provides guest room services and retails with valued US\$14.44 (roughly 472.19 million Baht). Together with Franchise provider, Choice International Hotels, to support hotel management especially marketing, accounting and financing context.

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 2018



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 2018, Techaruvichit Group who is current executive of ASIA directly held 14.94% shares and indirectly held shares through ABK. The total shares held directly and indirectly in ASIA of 62.39%

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 Shopping Center and area rental business, IT Zeer Center, The Hub at Zeer Rangsit Shopping Complex and AA-Town Apartment, located at Lumluka Pathumthani, Darley Hotel Chiang Mai and Laan Sook Plaza new project, located center of Chiang Mai, “Glendale Plaza” located Los Angeles, California, U.S.A. and “Quality Inn Long Beach Airport” located Long Beach, U.S.A that run by its group of subsidiaries companies.

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	2016		2017		2018	
			MB	%	MB	%	MB	%
- Hotel	Asia Hotel Public	Parent Company	207.07	16.16	235.07	17.80	256.73	19.22
- Restaurant	Company Limited	Listed Company	148.29	11.56	149.90	11.36	138.43	10.36
Total			355.36	27.72	384.97	29.16	395.16	29.58
- Hotel	Asia Pattaya Hotel	99.42%	65.89	5.14	71.84	5.44	66.79	5.00
- Restaurant	(Subsidiary Company)		38.97	3.04	41.45	3.14	38.74	2.90
Total			104.86	8.18	113.29	8.58	105.53	7.90
- Hotel	Asia Airport Hotel	Direct 100%	108.80	8.49	132.10	10.0	147.52	11.04
- Restaurant	(Subsidiary Company)		92.35	7.21	79.79	6.05	82.79	6.20
Total			201.15	15.70	211.89	16.05	230.31	17.24
- Hotel	Zeer Property Public	Direct 94.85%	-	-	-	-	9.30	0.69
- Shopping Center (Rental Business)	Co., Ltd. (Subsidiary Company)		620.33	48.40	610.26	46.21	595.77	44.59
Total			620.33	48.40	610.26	46.21	605.07	45.28
Grand Total			1,281.70	100.0	1,320.41	100.0	1,336.07	100.00



ASIA HOTEL BANGKOK

Travelers' popular choice in the heart
of Bangkok

ACCOMMODATIONS

ROOM & SUITE



HOTEL FACILITIES

HEALTH & LIFESTYLE



2.1 Hotel Business

2.1.1 Nature of Business

Asia Hotel Public Company Limited

Asia Hotel Public Company Limited or Asia Hotel provides hotel services and restaurant business included 6-0-6 Rai on Phayathai Rd., Ratchathevi, Bangkok. Asia Hotel evaluate at the standard for a four-star level which offers hotel services as follows:

1. Guest Room Services which offer 590 rooms and divided into

	<u>Rooms</u>	<u>Priced (Baht)</u>
Superior	232	3,700 – 4,000
Executive	198	4,100 – 4,400
Premier	139	4,500 – 4,800
Suite	<u>21</u>	8,000 – 14,500
Total	<u>590</u>	

2. Food and Beverage Services which available for hotel customers and others in Thai and International Restaurant, bars, lounges and banquet rooms as follows:

Restaurant and Coffee Shop for 5 places:

- Tivoli Coffee Shop provides breakfast as buffet, international buffet at lunch and dinner. Moreover, the place also offers A la carte for 24 hours which contains 180 – 200 seats.
- Saigon Restaurant provides Vietnamese Food opening from 11.30 – 14.30 and 18.00 – 22.30. The restaurant can server 120 seats.
- Rio Grill Restaurant, which is Brazilian Restaurant, open between 11.30 – 14.30 and 18.00 – 22.30. The places can cover 64 seats.
- Great Wall Restaurant, it offers Chinese food, open between 11.30 – 14.00 and 18.00 – 22.00. The places can cover 100 – 140 seats.
- Crystal Bar provides beverage and light meals open between 8.00 -01.00 contained 70 seats for customers.

Banquet Rooms: 12 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.

<u>Capacity (people)</u>	<u>Quantity (rooms)</u>
10-20	4
30-50	2
60-100	2
150-300	3
600-1,500	1

3. Other Services: There are Health Club, 2 pools (located at level 5 and 12), Spa (named “Asia Spa” at level 4), rental areas, other services such as local retails, souvenirs, prophesy and Internet Services.



ASIA PATTAYA HOTEL

Asia Pattaya Hotel is perfect for those looking for a glorious vacation in their own private paradise.

ACCOMMODATIONS

ROOM & SUITE



HEALTH & LIFESTYLE



Asia Pattaya Hotel Company Limited (a subsidiary company)

Asia Pattaya Hotel Company Limited or Asia Pattaya Hotel provides hotel services and restaurant business with 7 stories building and included 44-0-15.8 Rai. The hotel locates at PhraTamnak Hill, Bang Lamung District, Chonburi Province. The hotel provides accommodation, banquet rooms, seminar rooms, restaurants, coffee shops, golf club and others facilities for Thai and foreign customers which offers hotel services as following:

1. Guest Room Services which offer 305 rooms by divided into

	<u>Rooms</u>	<u>Priced (Baht)</u>
Standard Rooms	270	2,800-3,300
Executive Suite	4	3,900-4,600
Asia Suite	5	4,400-7,000
Jacuzzi Suite	10	6,400
President Suite	<u>16</u>	7,000-11,000
Total	<u>305</u>	

2. Food Services included restaurants, banquet rooms and seminar rooms which can be separated into:

Restaurant and Coffee Shop

Morakot Coffee Shop Provided buffet for breakfast and served A la carte for 24 hours. The restaurant can serve for 300 customers.

Garden Terrace Café This place serves food with music as a complementary opened between 18.00 – 22.00 and contained 30 customers.

Poolside Bar The bar that serve various beverages in the hotel pool provided services between 10.00 – 19.00.

Cliff Top Seafood Pavilion Provided seafood dishes between 11.00 – 14.00 and 18.00 – 22.00. This place can service 200 customers.

Neptune Sport Club Provided beverages, karaoke, snooker and huge screen for sport competitions with 100 seats service.

Banquet Rooms Service The hotel has provided 5 rooms for seminar both government and private organizations. It can be divided as the following:

<u>Capacity (people)</u>	<u>Quantity (rooms)</u>
50-120	4
450	1

3. Other Services such as retails, beauty salon, Thai Massage, health club, golf club, tennis court, pool, internet together with transportation between hotel and Pattaya tourist attractions.



ASIA AIRPORT HOTEL

Ideal for Stopover, Transit or the first and last night of a trip





ASIA CHA AM HOTEL

Let the nature cleanse your mood
and lift your spirit at Cha am Beach



Darley Hotel Chiangmai



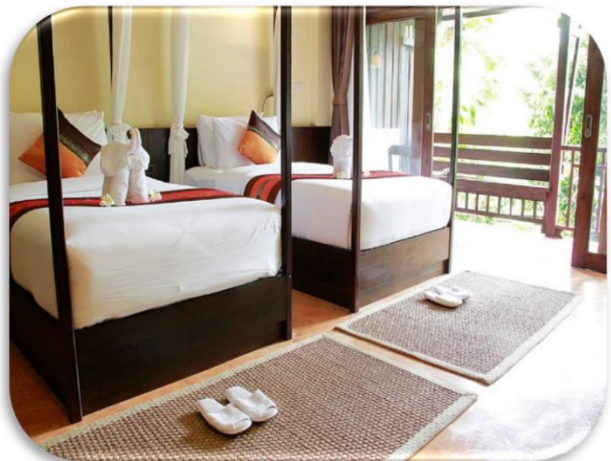


RATCHAPRUEK LANNA BOUTIQUE

Welcome to our colonial Lanna
style boutique resort

ACCOMMODATIONS

ROOM & SUITE



Asia Airport Hotel Co., Ltd. (a subsidiary company)

Recently, Asia Airport Hotel Co., Ltd. provides customer for 4 hotels as following:

1. Asia Airport Hotel operates hotel and restaurant at level 5, 6, 9-18 of the Zeer Rangsit with total space of 39,380 sq. meters, is located on Phaholyothin Rd., Kukot, Lumluka, Pathumthani. The hotel offers accommodation with total 512 rooms and is separated as following:

1. Accommodations

1.1 Hotel Guest Room Service totally 402 rooms which consists of;

	<u>Rooms</u>	<u>Priced (Baht)</u>
Superior	238	2,900-3,200
Executive	152	3,200-3,500
Premire	8	3,500-3,800
Suite	<u>4</u>	5,300
Total	<u>402</u>	

1.2 Service Apartment 110 rooms (between level 11-12) divided into;

Studio – Deluxe	87	rooms
Suite	<u>23</u>	rooms
Total	<u>110</u>	rooms

2. Food and Beverages Services

Banquet Rooms and Seminar Rooms totally 6 rooms are provided for customers as following;

Capacity (people)		Quantity (rooms)
100 – 200		3
150 – 300		1
300 – 500		1
500 – 800		1
<u>Restaurant</u> for 2 places which are;	Rosy Court	for 50 – 200 seats, quantity 1 room
	Rio Grill	for 50 – 100 seats, quantity 1 room

3. Other Services such as pool, fitness and beauty salon

2. Asia Cha-am Hotel: Asia Airport Hotel Co., Ltd. had done rental contract with Zeer Property Public Company Limited (ZP), who is a titleholder in 2010, for business expansion. It is located on 3-3-46 Rai plot of land at Cha-Um beach, with 3 buildings: 17 stories building (Building A) and 4 stories buildings (Building B and C). The hotel has 214 rooms. At present the contract will be ended on October 2019. The hotel has divided as following;

1. Accommodations for 3 buildings totally 214 rooms

	<u>Rooms</u>	<u>Priced (Baht)</u>
Superior	78	3,500
Executive	111	4,000
Premier	22	4,500
Suite	<u>3</u>	5,500 – 10,000
Total	<u>214</u>	

2. Food and Beverages Services

THINYOK COFFEE SHOP, contained 50 – 200 seats for 1 room.

Banquet Room and Seminar Rooms for 9 units as following;

	Capacity (people)	Quantity (rooms)
SUWANNASIN 1 – 2	100 – 200	2
PETCHNAPHA 1 – 2	100 – 200	2
RUENROM 1 – 2	100 – 300	2
PHUPAILIN	150 – 200	1
CHOMTALAY	300 – 350	1
V.I.P.	85 – 90	1

3. Other Services as such fitness, sauna and pool on level 17 and a pool besides beach.

3. Ratchapruek Lanna Boutique: Asia Airport Hotel Co., Ltd. had done rental contract with Zeer Asset Company Limited (ZA) (a subsidiary company), who is a titleholder Ratchapruek Lanna Boutique. It is a land rental included buildings on 2 Rai 31 square Wah. There are 4 buildings and a swimming pool. The hotel capacity is 35 rooms and can divided the services into;

1. Accommodations 35 rooms

	<u>Rooms</u>	<u>Priced (Baht)</u>
Superior	2	4,500
Deluxe	31	6,500
Junior	1	8,500
Executive	<u>1</u>	10,000
Total	<u>35</u>	

2. Food and Beverage Services

Chiang Khum Restaurant	capacity	50	people
Nakornping Meeting Room	capacity	60	people

3. Other Services such as Massage – SPA and outdoor swimming pool.

4. The Darley Hotel Chiangmai: Asia Airport Hotel Co., Ltd. had done rental contract with SPA HOTEL CO., LTD. (a subsidiary company), who is a titleholder of the hotel. This is a land rental with building on 1 Rai area. The hotel is 4 stories building and contains 76 room service. The hotel also provides local breakfast. The room serves into 4 types as following;

Accommodation 76 rooms divided into;

	<u>Rooms</u>	<u>Priced (Baht)</u>
Superior	53	1,200
Deluxe	6	1,500
Premier	15	1,800
Double Deluxe	<u>2</u>	3,000
Total	<u>76</u>	

Business Season and Business Cycle

Seasonal effect can influent to the company and its subsidiaries. Typically, the hotel high season is on October – March and the low season is on April – September of mostly every year. However, the tourist industry market is enormous and numerous which each market has its identity depending on the difference of traveling season.

Asia Hotel has experienced for long time. The hotel has a durable marketing strategy. Even in the low season of hotel, the hotel can adjust its strategy to attract customers, included Corporate and Group Tour customers. Also, average income from both hotel and restaurant to make its income collateral to high season.

Asia Pattaya Hotel has high season on November – April and low season between May – October of mostly every year.

Asia Airport Hotel has a customer target as people who is Donmuang Airport customer and corporate company which located at North of Bangkok. This hotel does not have traveling season effects as the city hotel.

Asia Cha-am Hotel has high season between November – April and low season between May – October mostly every year same Asia Pattaya Hotel.

2.1.2 Marketing and Competition

(1) Marketing Strategy

❖ Marketing Strength

Since business experienced of hotel and restaurant over 50 years, it resulted in auspicious and advantages of its marketing aspect. Moreover, these characteristics are leading the company successful. The hotel marketing strategies can divide in three contexts which are management, marketing and services as the following;

1) Management

- 1.1 Hotel administration team has experienced over 50 years.
- 1.2 Mostly assets approximately 95% is owned by the company more than 20 years and they are Assets Appreciation which make a better value in every day.
- 1.3 The company does not earn an income from only hotel but also from their restaurants as high percentage included banquet rooms, seminar rooms and rental hotel areas such as retails, carpark and souvenir arcade too.
- 1.4 For front and back office are controlled by the computerized system. It resulted in information conveying which significant to administrate rapidly and effective.
- 1.5 The Employee Policy holds the royalty principles which concentrate on working dedication. Also, the hotel supplied employees with training and benefit income leading to employee working exertion and hotel service standard occupied the international standards of hotel.

2) Marketing

- 2.1 Since the various market target of the company, there are several customers come from across the world and the majority country are China, Europe, Australia, New Zealand and Thailand. This cause the deduction of market slow down either market.
- 2.2 Sale team is hardworking. They usually encounter and communicate with customers.
- 2.3 There is the internet room reservation system via hotel website, <http://www.asiahotel.co.th>. It usually advertises in search engine to be rank with the searching keyword as Hotel in Thailand. Moreover, the hotel was promoted via other traveling agencies websites Then the revenue from internet has grown speedily.
- 2.4 There is a benefit from the hotel location where is placed at BTS station in front of the hotel. This is an advantage for advertising in foreign customers who preferred travelling with public transportation. It is a strange of the hotel that better than others hotel. Sometimes the hotel collaborated with BTS sky train to provide package for our customers as such free BTS ticket package for some customer groups.

Moreover, some BTS station has connected to MRT, which is underground train in Thailand, station. It is very convenience for tourists because it is easy and more cover traveling places. In addition, the hotel itself has connect to Airport Rail Link which support tourists traveling to Suvarnabhumi Airport too.

3) Services

- 3.1 The location advantage as mentioned previously which located in the center of Bangkok and placed among shopping malls. Moreover, the hotel also provide souvenir arcade for customers too.
- 3.2 The Hotel building is also connected to the BTS at “Ratchathevi Station” making it most convenient for customers. In addition, the hotel itself has connect to Airport Rail Link which support tourists traveling to Suvarnabhumi Airport too.
- 3.3 The hotel also provides various restaurants for our customers such as Thai, Chinese, Vietnamese and Brazilian food.
- 3.4 More than 70% of catering/meeting/seminar customers are our regular customers.
- 3.5 Provided parking for approximately 420 spaces at Asia Building.

The competition strength of Asia Pattaya Hotel is its location. The hotel building is situated on the sea cliff and has its own private beach. Customers can enjoy their beach activities on hotel beach. Additionally, the hotel has provided banquet rooms and seminar rooms that customers can indicate room size. The rooms have the updated technology and completely equipment for meeting. Asia Pattaya Hotel is renowned regarding the best of banquet rooms and seminar rooms provider in Pattaya for long time. Also, the hotel is awarded about “Green Hotel” from Green Leaf Foundation.

Asia Airport Hotel provides customers for hotel services and long-term rental and these are the advantage of the hotel. It is because in the north of Bangkok is industrial area. There is countless international co-investment company located around this area. Besides, the hotel is located closing to Donmuang Airport where is developed to the international airport at currently. Furthermore, the hotel has provided banquet rooms and seminar rooms that customers can indicate room size. There are rooms for wedding, party, meeting and seminar. The competition in this area is still not a high competitive level.

Asia Cha-am Hotel is a newly improvement hotel. Rooms and facilities have recently renovated both. For the hotel location, it is a seaside of Cha-am beach hotel and this beach is very famous for tourists. Also, the location is at the economics progressive center of Cha-am beach. The hotel provides banquet rooms and seminar rooms for various size with the professional kitchen for large group of customers. The hotel has two swimming pools supporting customers which located on level 17 of hotel building and in front of hotel.

Ratchapruek Lanna Boutique has a unique of hotel style. It located among natural and this is suitable for customers who prefer peace and shady place. There is also activities provided such as Yoga, Spa and Massage. The location is near Royal Park Rajapruek in Hang Dong District which is not far from Chiang Mai city.

The Darley Hotel Chiang Mai is a modern renovated hotel which is located in the center of Chiang Mai and near Warorot Market. The location is crowded with tourist around the world because there is a center of local souvenirs. Also, the location is close to Chiang Mai International Airport too.

❖ **Marketing Weakness**

Marketing weaknesses of the company and its subsidiaries company has showed as the following;

Asia Hotel

Asia Hotel had opened business for long time. Between 2009 – 2010, there was a great renovation such as reducing the number of hotel rooms to make the better room size. At recently, Asia Hotel has 594 guest rooms for serving our customers. The hotel has planned to renovate lobby and restaurants for renewing the place to up-to-date style on February 2019. However, the plan was delayed because the hotel cannot close to do renovation at this time.

Asia Pattaya Hotel

Asia Pattaya Hotel does not renovation for long time. This results in deteriorated rooms and this leads to hotel disadvantaged competition comparing with rounded hotels.

Asia Airport Hotel

Asia Airport Hotel is located in Zeer Rangsit Shopping Center which has many customers. This leads to customers’ privacy and the hotel required to strictly lay the security policy in the hotel. Too, parking sufficiency when there are load of customers both hotel and shopping center.

Asia Cha-am Hotel

The hotel located at Cha-am Beach where popular less than Hua-hin Beach. The room price will be cheaper than hotels in Hua-hin.

Ratchapruek Lanna Boutique

Ratchapruek Lanna Boutique is away from main road and the entrance is also not convenience. However, it located among natural and this is suitable for customers who prefer peace and shady place. The hotel suits for tourists who prefer privacy accommodation. The hotel price is higher if comparing with other hotels around this area.

The Darley Hotel Chiang Mai

The hotel just launched business and unbeknown in the market. This place does not have restaurant as others; however there is local food serving for breakfast, the breakfast price is already included in hotel charge. Employees have a little number in the hotel because checking in system practices IT approach and mostly customers will make a reservation on the internet. These reason lead to a few employees to service customers.

Market Competition

Asia Hotel

Target Market:

1. Customers from Internet advertisement
2. Traveling agencies in Thailand and from aboard
3. Government organizations and private company for seminar service
4. Corporate Company

Competitor: There are hotels in Bangkok which serve tourists in the same price with us and locate in the same area.

- | | | |
|--------------------------|------------------------|------------------------|
| 1. Bangkok Palace Hotel | 2. Prince Palace Hotel | 3. Dema Pavilion Hotel |
| 4. Twin Towers Hotel | 5. Eastin Hotel | 6. Narai Hotel |
| 7. Indra Hotel | 8. Mandarin Hotel | 9. Royal River Hotel |
| 10. Tawanna Ramada Hotel | 11. Amari Atriam Hotel | 12. Siam@Siam |

Competitive Environment: Technologies development resulted in customer decision change especially hotel reservation approach. Internet has effected in reservation timing as well. Customers will make a reservation before checking in hotel shorter than before. Also, there is many illegal hotels occurs that leads to high competition in hotel industry.

Asia Pattaya Hotel

Target Market:

1. Government organizations and private company for seminar service
2. Traveling agencies in Thailand and from aboard
3. Thai customers who prefer to travel near Bangkok
4. Customers from Internet advertisement

Competitor: 1. Pattaya Park Hotel 2. Amari Orchid Hotel 3. A-One Royal Cruise Hotel
4. D-varee Hotel 5. Jomtien Palm Beach 6. Siam Bay View Hotel

Competitive Environment: Technologies development also effects to Asia Pattaya Hotel. The meeting and seminar from government organizations and private companies, which are the significant target market of the hotel, similarly are decreased in last year. In Pattaya area is likewise having many illegal hotels occurs that leads to high competition in hotel industry.

Asia Airport Hotel

Target Market:

1. Government organizations and private company for seminar service
2. Traveling agencies in Thailand and from aboard
3. Internet customers
4. Tourists who transport to Donmuang Airport
5. Corporate companies which located upper Donmuang Airport area such as in Nawanakorn area.

Competitor: 1. Amari Airport Hotel 2. Quality Suite Hotel
3. Miracle Grand Hotel 4. Rama Gardens Hotel

Competitive Environment: There is also technologies development effect in Asia Airport Hotel too. Moreover, the meeting and seminar from government organizations and private companies, which are the significant target market of the hotel, similarly are decreased in last year.

Asia Cha-am Hotel

Target Market:

1. Government organizations and private company for seminar service
2. Traveling agencies in Thailand and from aboard
3. Thai customers who prefer to travel near Bangkok
4. Customers from Internet advertisement

Competitor: 1. Long Beach Hotel 2. Methavalai Hotel 3. Bann Pantai Resort
4. Golden Beach Resort 5. Regent Cha-am 6. Beach Garden Hotel

Competitive Environment: The technologies development effects in the hotel too. Moreover, the meeting and seminar from government organizations and private companies, which are the significant target market of the hotel, similarly are decreased in last year.

The Darley Hotel Chiang Mai

Target Market: 1. Traveling agencies in Thailand and from aboard
2. Internet customers

Competitor: 1. Prince Hotel 2. Karou Lotus Chang Moi Boutique Hotel
3. Chiangmai Ratanakosin Hotel 4. Karinthip Village

Competitive Environment: There is various hotels occurred in Chiang Mai at present and they are also similar hotel comparing with us. They provide lower price services. The competition is high as a result of new hotels opening business.

Ratchapruek Lanna Boutique Chiang Mai

Target Market: 1. Thai and foreign tourists
2. Internet customers

Competitor: 1. E-Outfitting Doikhum 2. July Garden Resort
3. Romsak Resort

Competitive Environment: There is a high competition in this area especially pricing. Ratchapruek Lanna Boutique has a higher price that other places there. It is because the hotel provides the better environment than others and near the Royal Park Rajapruek.

(2) Distribution Approaches

Asia Hotel distribution approaches can describe as following;

1) Foreign Customers

The company has advertised its hotel with the following channels;

- 1.1 Usually communicating with Wholesale Tour Operators
- 1.2 Normally conducting Road Show with Tourism Authority of Thailand
- 1.3 Doing sale promotion by joining tourism fair in Thailand
 - Thailand Travel Mart Plus Mekhong Region
 - Hotels Meet Travel Agents
 - Hotels Meet Corporate
 - Thai Teaw Thai Exhibition

2) Traveling Agencies both in our country and from aboard

Our sale officers usually contact with the administrator of traveling agencies and sign contract for Group Tour regarding accommodations and restaurants. In this case, local traveling agencies mean tour representative, who locate their office and running business in Thailand, induce foreign customers to use our hotel services.

3) Internet Sale

It is another sale approach that more significant in every day and there is also grown rapidly in the marketing industry.

3.1 The hotels has its own website, which is www.asiahotel.co.th. Additionally this website can be a public relation approach to communicate the hotel activities. Sometimes this website can be an approach to communicate with hotel shareholders too.

3.2 Promoted our hotel with traveling agencies website that have a various supporting websites.

Other sale strategy on the Internet is to bring Blogger to review the hotel services and reviewing on Facebook or their own website to promote our hotels.

4) Organizations in Thailand

The hotel will contact with organizations that are required to functioning with foreigners and sometimes have to welcome their business partner. The hotel will keep these organizations' contact to advertise.

5) Customers from Restaurants and Banquet Rooms

This approach can be divided into;

5.1 The hotel room rental customer: the advertisement for this target customers are described as the following;

1. Advertisement within the hotel
2. Distributing leaflets to customer rooms
3. TV advertisement on the hotel signal within the hotel

5.2 Business customers who work in Phayathi area

This group of customer normally use restaurant services such as Tivoli Coffee Shop, Great Wall Restaurant, Saigon Restaurant or Rio Grill Restaurant. The hotel advertisement approaches are;

1. Distributing leaflets in hotel quarter
2. Sale team will advertise to the target organizations for example The Revenue Department and commercial bank.

5.3 General customers

The general customer target generally using the hotel' banquet room service. The advertisement for this customer classify will be;

1. Sale team will make sale to the targets that have purchasing potential and tend to conduct meeting or seminar at that time. Also, communicating with target customers by advertising on newspaper.
2. Promote the hotel by advertising on radio or TV. Also, collaborated with credit card advertisement.
3. Sending newsletters to customers for informed them the hotel's promotions.

Sale approaches, procedure and proportion

Asia Hotel Public Company Limited

Customer types	Services Valued			
	2017		2018	
	Million Baht	%	Million Baht	%
1. COMPANY GROUP	29.39	12.30	27.17	10.25
2. GROUP TOUR AGENCY	59.03	24.70	38.10	14.37
3. INTERNET	124.04	51.90	180.58	68.08
4. GOVERNMENT	14.59	6.10	6.36	2.40
5. OTHERS	11.89	5.0	12.98	4.90
Total	238.94	100.00	265.13	100.00

Note: Services valued percentages of each customer group calculated from the hotel services valued revenues as a standard

Asia Pattaya Hotel Company Limited (a subsidiary company)

Customer types	Services Valued			
	2017		2018	
	Million Baht	%	Million Baht	%
1. COMPANY GROUP	5.03	6.56	6.04	8.48
2. GROUP TOUR AGENCY	50.63	66.03	40.80	57.26
3. INTERNET	11.59	15.11	15.23	21.37
4. GOVERNMENT	12.01	2.62	2.87	4.03
5. OTHERS	7.42	9.68	6.31	8.86
Total	76.68	100.00	71.25	100.00

Note: Services valued percentages of each customer group calculated from the hotel services valued revenues as a standard

Asia Airport Hotel Co., Ltd. (a subsidiary company)

Customer types of Asia Airport Hotel Rangsit	Services Valued			
	2017		2018	
	Million Baht	%	Million Baht	%
1. COMPANY GROUP	27.64	29.03	24.24	24.44
2. GROUP TOUR AGENCY	10.63	11.17	12.38	12.48
3. INTERNET	14.24	14.96	26.25	26.46
4. GOVERNMENT	34.34	36.07	29.47	29.71
5. OTHERS	8.35	8.77	6.86	6.91
Total	95.20	100.00	99.20	100.00

Note: Services valued percentages of each customer group calculated from the hotel services valued revenues as a standard

Customer types of Asia Cha-am Hotel	Services Valued			
	2017		2018	
	Million Baht	%	Million Baht	%
1. COMPANY GROUP	2.55	7.13	3.89	10.54
2. GROUP TOUR AGENCY	14.31	39.99	10.01	27.11
3. INTERNET	5.33	14.90	12.83	34.75
4. GOVERNMENT	10.39	29.05	7.32	19.83
5. OTHERS	3.19	8.93	2.87	7.77
Total	35.78	100.00	36.92	100.00

Note: Services valued percentages of each customer group calculated from the hotel services valued revenues as a standard

In 2018, there has no information of customer criteria from the Darley Hotel Chiang Mai and Ratchapruerk Lanna Boutique because they are recently opened business and cannot compare statement in 2018.

Agency and nomination, essence of contract

Asia Hotel Group and subsidiaries hotels (Bangkok, Pattaya, Airport and Cha-am) obtains the same policy that the hotels do not have any agency. The hotels only communicate with customers by the company sale representative.

(3) Customer characteristics and relations between customer and the company/subsidiaries

Customer characteristics are non-specify. The relationship is respectful in the hotels, confidently in hotel services quality and satisfaction of our customers.

Asia Hotel has promoted and advertised on credit card member newsletters, newspapers and direct leaflet to customers with in the hotel. The hotel customers typically are regular customers who satisfy in hotel services.

Pricing Policy

Pricing policy depends on target customers which will be different in each target group that are;

1. Traveling agency company which are;
 - 1.1 Thai traveling agency company
 - 1.2 Foreign traveling agency company
2. Airline contract
3. Corporate company
4. Government sector
5. Other organizations
6. Internet customer target
7. Others such as the hotel regular customers or walking-in customers etc.

Pricing Policy is also depended on many influences for instance quantity of customers which the hotel expects from market or advantages and disadvantages of market reaching.

Rights and limitations of managing business

- None -

2.1.3 Goods and services providing

Quality and quantity of the hotel services

- Asia Hotel*** the hotel provides 590 rooms to serve customers which mostly are tourists and the average room rate is at 1,509.63 Baht. The hotel occupancy is 81.56% in 2018.
- Asia Pattaya Hotel*** this place contains 305 rooms. The hotel average room rate is at 1,171.00 Baht and occupancy is 54.69% in 2018.
- Asia Airport Hotel*** it is 402 guest room hotel and average room rate is at 1,110.00 Baht. The hotel occupancy is 64.73% in 2018. There is also service apartment 110 rooms which is average room rate is at 31,199.61 Baht and occupancy is 10.98% in 2018.
- Asia Cha-am Hotel*** the hotel provides 214 rooms for rental. The average room rate is at 900.00 Baht with occupancy 46.62% in 2018.
- The Darley Hotel Chiang Mai*** the hotel provides 76 guest rooms. The average room rate is 1,194 – 1,500 Baht with occupancy is 8.92% in 2018. Opened on October 2018.
- Ratchapruek Lanna Boutique*** this place contains 35 guest rooms. Average room rate is 2,000 – 5,000 Baht with occupancy 26% in 2018.

For the capital investment, the 6 hotels has the same expenditure structure regarding salary, facilities and material cost.

COMMERCIAL PROPERTY

ZEER RANGSIT



THE HUB



AA TOWN APARTMENT



COMMERCIAL PROPERTY

GLENDALE & GLENHURST SHOPPING CENTER, LOS ANGELES, USA



QUALITY INN LONG BEACH
3201 E Pacific Coast Hwy, Long Beach, CA 90755





2.2 Rental Area Business

2.2.1 Nature of business

Zeer Property Public Company Limited ("ZEER") operates the business of developing and managing shopping centers and real estate development by owning a large shopping center business Zeer Rangsit Project which is located on Vibhavadi-Rangsit Road, Km. 28-29, Khukhot Subdistrict, Lam Luk Ka District, Pathum Thani Province. The project has an area of approximately 86 rai 1 ngan 59 square wah. The Company (ZP) entered into a sub-lease agreement for the land from Don Mueang Grand Plaza Company Limited ("DM") which is a related company. Currently, the remaining rental period is approximately 29 years. At present, the project has 3 main buildings, consisting of Zeer-Rangsit Shopping Center Building, The Hub, Rangsit Shopping Center and AA Town Apartment Building, short and long term with retail operators.

Shopping Complex Business

Shopping center business is the main business of the company causing the company to have rental income from service fees from renting, retail space in Zeer Rangsit shopping center including providing utilities, security, cleanliness service within the shopping center. In the middle of 2000, the company adjusted the area development strategy by changing the business model from being a shopping center for renting retail space to general consumer goods to sell a particular product by adjusting to an electronic center and computer which was well responded. There are more entrepreneurs joining to rent more space, resulting in the present, Zeer Rangsit Shopping Center is a center for selling computers and electronic equipment with the largest rental area in the country and is expected to increase the rental space.

Rental area detailing in Zeer Rangsit Shopping Center

Zeer Rangsit Shopping Center is an 18 stories building (included underground floor). It is emphasized on IT Center. There is Mixed – Use development within the building which comprised of hotel, shopping mall and service apartment. These included 273,960 square meters of all area. It is divided in to rental area for 126,000 square meters, common area for 82,000 square meters and parking for 65,000 square meters. Every floor details are described as the following;

- Underground which contains 15,000 square meters area. Mostly there is restaurants and supermarket for example food court, TOPs supermarket, KFC, MK, BBQ Plaza, Joom Zap Hut, Chester Grill, Mister Donut, Yum Zap and Miyabi Grill etc.
In 2016, ZEER had opened ZEER MARKET zone for food and beverages.
- 1st Floor there are 13,000 square meters rental area. Typically, there are shops regarding electronics equipment, computer and electrics equipment. This floor also provides customer with mobile phone services, camera, computer and electronics equipment.
- 2nd Floor this floor has 12,000 square meters and has a similar retails as the 1st floor. However, there is interesting retails such as The Future AV and SE-ED book Shop.
- 3rd Floor included 13,000 square meters and in this floor still has the similar retails as computer, software and electrics equipment etc. The major retails in this floor is IT City.
- 4th Floor has a rental area approximately 14,000 square meters. This floor has provided customers with commercial banks and financial institutes more than 6 banks, Amon Shop, Offices, retailing stores and computer providers.
- 5th Floor there is 19,000 square meters are for rent. It is opened for large group of meeting and seminar which is 51% of the whole floor area. The place can support 2,000 people.
In 2016, the company had developed the 9,000 square meters area for exhibition named Diamond Hall which launch since April 2017.
- 6th Floor this floor has 8,000 square meters for rental area and the remainder is building systematics
- 7th – 9th Floor are managed for office rental which provide for companies and government sectors.
- 10th – 17th Floor is Asia Airport Hotel which provides 402 guest room service and also included in 110 rooms of service apartment.
- Retails around buildings are divided into market fair and fresh-food market totally 5,000 square meters. These retail pay rent as both daily and weekly and the tenant are crowded.

The company has divided rental area into 2 sections which are;

- Short-term space rental, There is a rental period of not more than 3 years, with monthly rental fees charged, accounted for approximately 70% of the rented space for the rental area. The outside of the building in the form of a flea market and a fresh market in the front and around the Zeer Rangsit building, there is a daily and weekly rental charged.
- Long-term rental. The contract will be over 3 years and lessee required to pay rent in yearly. It is 30% of rental area.

Rental area of The Hub Rangsit

The Hub Center, the building area of 48,231 square meters, is a 3-storey building and has a basement which is located on the side of the building, Zeer Rangsit Shopping Center, is an extension of the shopping center for rent to clothing stores and other products associated for wholesale and retail. Most stores will expand from Pratunam Shopping Area and manufacturers. Currently, the Hub open for service. The basement is a parking lot, 1st and 2nd floor as a rental shop. There are more than 62.66% of the shops that are available.

AA Town Apartment

AA Town Apartment is located behind ZEER Rangsit Shopping Center building. It is 7-stories building and provides 130 rooms for rent. Approximately rent is 4,500/4,800/5,500 Baht per month. This project was launched since November 2014. Recently, there is occupancy 88%.

Assets investment for leasing

At present, there are 5 projects, which invest in Thailand for 3 project and in aboard 2 projects.

1. Asia Cha-am Hotel at Petchaburi Province

This hotel locates on Cha-am Beach, Ruam Jit Road, Petchburi. This is a land and building investment included economics building. The hotel has provides 214 rooms. Asia Airport offer the best rent price and took the contract of Asia Cha-am Hotel since late 2010. In 2016, ZEER and Asia Airport had extended contract further 3 years and will be ended in 2019.

2. Glendale Shopping Center, Los Angeles, USA

It is land and community mall investment for this project. This shopping center in located away from Los Angeles Downtown about 7 miles. The lessees have operated more than 5 years. Totally rental area is 11,735 square feet which is 100% of rental area.

3. Lan Sook Plaza and the Darley Hotel Chiang Mai

In 2016, the company "ZP" had collaborated with the original business owner and established a new company named SPA HOTEL CO., LTD. (SPA) and ZP currently holds 92% of SPA registered capital. SPA had invested in land and structures located at Chang Moi, Amphoe Mueang, Chiang Mai with 140 million Baht which is under the evaluation price (237 million Baht). The location potential is closed to Warorot Market. SPA did a renovation in this area to be the Darley Hotel Chiang Mai which launched since October 2018. Lan Sook Plaza is on developing the process which is predicted to finish in quarter 2 within 2019.

4. Quality Inn Long Beach Airport, Los Angeles, USA

This is 1.83 acres hotel or 4.5 Rai. There is management under franchise of Choice International Hotels named "Quality". The franchise will support marketing and accounting context under their management. Presently, the hotel is opened.

5. Ratchapruek Lanna Boutique Project, Hang Dong District, Chiang Mai Province

In 2018, Zeer Asset Co., Ltd., a subsidiary, invested in the purchase of land and building in Hang Dong District, Chiang Mai Province, purchased at a price of 86.4 million baht. Asia Airport Hotel Co., Ltd. rented to operate 35 guest rooms for rent. The average occupancy rate in the year 2018 is about 30-40 percent.

2.2.2 Marketing and Competitions

Marketing Policy and Characteristics

❖ Shopping Center Policy

ZEER Rangsit Shopping Complex has a noticeably policy regarding marketing aspect which concentrated on IT and electronics to responding customers from northern of Bangkok, additional center, northern and north east region of Thailand. The reason is ZEER Rangsit locates at Bangkok Gateway.

ZEER Rangsit Shopping Center has 3 buildings within the area which are IT Center Zeer-Rangsit, The Hub and Apartment Building.

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

The Hub Shopping Center, with the total area of 48,231 square meters, is located next to Zeer Rangsit Shopping Center. There are 3 retail floors with a parking basement. The project is an extension retail component to complete the unmet element as a whole. The main concept is being the wholesale destination for retailers, majority of tenants are from Phatunam (Major wholesale center in Bangkok) and showcase for factory. Recently, the occupancy rate is approximately 62.66%. On 1st and 2nd floor are retail rental area, however 3rd floor still not operate yet. This project was launched since June 2015.

AA Town Apartment is located at the back of Zeer Rangsit Shopping Center, 7-stories building, with 130 rooms, 4,500/ 4,800/ 5,500 baht monthly, launched in November 2015. Occupancy rate is 88% at recently.

❖ Marketing Objectives

1. Expanded services area both plaza and residence
2. Advertised IT Zeer Rangsit Shopping Center and The Hub
3. Increased electronics and computer retails
4. Income incentive for retails in Zeer Rangsit Shopping Center
5. Expanded new target market such as customers who is interesting fashion and decorations

❖ Marketing Strategies

Zeer Rangsit Shopping Center has cooperated with major retails within Zeer Rangsit and plan marketing strategies together. Advertisement to support new customers come to the shopping center and effort to expand market target by opened educational zones such as technology and languages.

❖ Marketing Strength and Weakness

1. Zeer Rangsit IT Center is the biggest IT center in Thailand at the moment.
2. Expanded customers target by opened Consumption Goods zones.
3. Underground of the Shopping Center has provided various foods for customers.
4. Convenience and comfortable parking. Adding car spaces behind the building.
5. Within Zeer Rangsit complex, there are wholesale and retail cloths and fashion. Also, the place provides accommodation too.

For the weakness of Zeer Rangsit shopping complex which still have to resolve for example traffic in front of the complex entrance and exit. Additional promoted the project image to be well-known in the market.

❖ Target Customers

Zeer Rangsit Shopping Complex has 2 group customers as a majority target customer that are;

Direct Customers, which are tenants in the shopping center, distribute computer, computer equipment, electronics equipment and other retails. This group can divided into;

First Group the main anchor, who rent retails in the complex, distribute computers, electronics, and accessories. There are both major and minor tenants who supply quality goods and services for customers. The sample of this customer group is IT City, Future AV, NPE Best Buy the Technology City and Amorngroup etc.

Second Group Co-tenant, who is an expanded zone for new target customers such as furniture retails, food and beverage zone, supermarket, book store, commercial bank, government sector and private organization office.

Indirect Customers, This is a group of people who come to use the service, to buy products in Zeer Rangsit shopping center, most of which are residential customers or studying in the Rangsit area and nearby. Because in this area there are many villages. It also has a tendency for expansion of government agencies, private agency, educational institution and housing in the immediate vicinity including the expansion of public transportation projects such as the Red Line BTS Bang Sue-Rangsit etc.

❖ Industry Crisis and Competition

Zeer Rangsit Shopping Center

Government Policy has supported technologies in society at present. Furthermore, the best location of Zeer Rangsit Shopping Center which is located at expanded central business district. Conversely, in this area still does not have IT center which can supply the residence in this area. Afterward the economic crisis in Thailand, Zeer Rangsit has been demanded in the good quantity from customers. There was also the area development and more retails to attract new target customers such as Tops Supermarket, Office Depot, KFC, McDonalds, MK restaurant, Pizza Hut, Future AV, commercial bank more than 7 institutes and Asia Airport Hotel.

Pricing Competition

Zeer Rangsit Shopping Complex usually considers its business capacity both for company itself and tenants within the shopping mall by planed company strategies for long term. The company has pricing policy described as following;

- Rental and services capital of the company included land, buildings, expansion, management fees, advertisement and promotions.
- Business owner capital which concentrates on growth market and considers pricing for comparing between tenants and rental area.
- The comparing price and conditions with other shopping centers in this area.

2.2.3 Goods and Services Providing

Goods of the company are managing rental area, providing facilities for tenants and developing rental area in good conditions.

Rental Management and Facilities

Mostly the rental tenants do contract with the company by short-term contract. The contract provides 3 year or less. However, the company delivers employees to communicate with tenants every month for updating rental status. Once there is a free space for rent, there is also a list of applying tenants for lease immediately.

Others approach of rental area management is contacting the target tenants directly for example education institute or private organization. Moreover, the company will conduct promotional campaign such as setting up promotion during festival to encourage customer expenditures.

To support the rising number of lessees, the company has improved facilities system such as electricity, lighting, water, sewage, and parking traffic included entrance area.

Hotel Project at Cha-am Beach, Petchaburi Province

This project is renting land and building for running hotel business. Presently, the hotel was developing meeting rooms and swimming pool to add asset valued. The company is not required to provide any service for the lessees; however the company will send officer to do inspection area as schedule.

Glendale Shopping Center, Los Angeles, USA

The company hired a property management company to manage tenants in this project, Glendale Shopping Center, the project administrator will report the collection of income, various repair expenses to the company on a monthly basis. The company sends the company staff to survey, inspect the project area periodically.

The Darley Hotel Chiang Mai

This project is renting land and building for running hotel business. The company is not required to provide any service for the lessees; however the company will send officer to do inspection area as schedule.

Lan Sook Plaza Shopping Complex

Currently, this project is during designing project to develop to the up-to-date Shopping Center.

3. Risk Factors

3.1 External Risk

- **Rooms Oversupplied Risk**

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

- **Risk form Chinese tourist**

As of year 2018, Thailand's tourism industry grew by 7% from the previous year. Chinese tourists made up largest portion of international tourists who visited Thailand, 26% of total international tourists. Significantly, Thailand's tourism industry is constantly highly dependent on Chinese tourists. However, the changing in outbound tourism policies of Chinese government may affect Thailand's tourism industry. Thus, in order to reduce the risk from dependent on Chinese tourist, The Company try to promote the portion of other regional market (Such as ASEAN Russia and Europe). As a final point, in year 2018, the ASEAN (including Thailand) tourist has a portion of 42% of total customer, and continuous growing.

3.2 Internal Risk

- **Human Resource Risk**

Human resources development and management is one of the key priorities of the company and its subsidiaries company. The growing in number of small and large hotels make labor shortage in the hotel business. The company and its subsidiaries company faced to the high rate turnover and discontinuity of work. Hence, reducing the risks from human resource, the company increases the competitive compensation rate together with accommodated facilities for employee benefit in the scenery town (such as Bangkok and Pattaya). Moreover, The Company and its subsidiaries company have managed the human resource risk by using outsourced companies to supply to the labors to reduce the burden of the company. In 2018, the company hired more foreign workers, both at the middle management level and unskilled workers from Myanmar and Laos.

- **Foreign Investment Risk**

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

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

- **Financial Risk**

The company and its subsidiaries company have always recognized the financial management. As of 31 December 2018, the total interest bearing debt was Baht 2,475 million or equal to 0.44 times of interest bearing debt to equity ratio, most of which apply a Minimum Lending Rate (MLR). Risks relating to fluctuating interest rates may have some effect on the Company's cash flow. However, for the risk management of company and its subsidiaries company has controlled the D/E Ratio, together with the potential rises funds form capital market.

4. Business Asset Structure

4.1 Assets that use for the company and subsidiaries business on 31 December 2018.

Assets	Rights	Valued (Million Baht)	Obligation (noted 1)
1. Land including hotel/parking/office buildings totally 6-0-6 Rai located at Ratchathevi, Bangkok. <i>Managing "Asia Hotel"</i>	ASIA is a titleholder.	1,881.09	1,790.00
2. Land including 6 stories building and employees apartment 7 plots totally 44-0-15.8 Rai located at Pattaya, Bang La Muang, Chonburi. (obligation area 39-1-0.2 Rai) <i>Managing "Asia Pattaya Hotel"</i>	Asia Pattaya Hotel Company Limited (AP) is a titleholder own both land and building.	1,607.53	660.00
3. Rental rights in 4 stories building at Soi Phayanak, Ratchathevi, Bangkok. <i>Managing office building of Asia Hotel</i>	ASIA do contract with Crown Property Bureau since 1982 and continue contract with 20 years lease, ending 2032.	7.11	-
4.1 Land and 11 stories hotel building totally 39,380 sq. m. located at Zeer Rangsit Shopping Center on Phaholyothin Rd., Kukot, Lumluka, Pathumthani for 600 million Baht. <i>Managing "Asia Airport Hotel"</i>	Asia Airport Hotel Co., Ltd. (AA) (lessee) do contract with Zeer Property Public Co., Ltd. (ZP) (lessor) for 42 years and 5 months since 1 November 1996 to 31 March 2039 (currently 22 years 3 months in contract)	410.59	150.00
4.2 Rental rights in Asia Cha-am Hotel on 3 Rai 3 Ngan 46 sq. Wah on Cha-am Beach, Petchaburi with 17 stories building, 106 rooms and 4 stories building, 108 rooms. <i>Managing "Asia Cha-am Hotel"</i>	Asia Airport Hotel Co., Ltd. (AA) (lessee) do contract with Zeer Property Public Co., Ltd. (ZP) (lessor) for 3 years since 1 November 2016 to 31 October 2019.	-NONE-	-
5.1 Rental rights on land 86 Rai 1 Ngan 59 sq. Wah with Zeer Rangsit Complex building under rental contract with equipment.	Zeer Property Public Co., Ltd. (ZP) (lessee) and DonMuang Grand Plaza Co., Ltd. (DM) do contract for 55 years since 1 April 1993 to 31 March 2048 (currently 30 years 3 months in contract)	3,347.21	1,590.00 As financial institute Mortgage
5.2 Asset with building at Cha-am, Petchaburi which include (1) Land and hotel building with 214 rooms	Zeer Property Public Co., Ltd. is a titleholder	346.91	220.00 As financial institute Mortgage
(2) Land and commercial building at Ruamjit Rd.	Zeer Property Public Co., Ltd. is a titleholder	19.95	-

Assets	Rights	Valued (Million Baht)	Obligation (noted 1)
6. Asset with building at Chang Moi Sub-district, Muang District, Chiang Mai province as Hotel and Plaza on 2 Rai 3 Ngan 29.3 sq. Wah land. <i>Managing "Darley Hotel Chiang Mai"</i>	SPA HOTEL CO. LTD. (SPA) is a titleholder	280.06	206.00 As financial institute Mortgage
7. Asset with building at Nong Kwai Sub-district, Hangdong District, Chiang Mai province as resident 35 rooms on 2 Rai 31 sq.wah with 3 stories,1 building, 2 stories 1 building, office building <i>Managing "Ratchapruek Lanna Boutique "</i>	Zeer Assets Co., Ltd. is a titleholder	79.71	
8.1 Glendale Shopping Center, Los Angeles, USA	Zeer Oversea LLC is a titleholder	240.03	-
8.2 Asset with building at Quality Inn Long Beach, CA., U.S.A. on 1.83 acres or 4.5 Rai as hotel 68 rooms and 6 shops <i>Managing "Quality Inn Long Beach Airport"</i>	Zeer Oversea LLC is a titleholder	466.80	
9. Machinery and equipment	ASIA Owner	36.11	-
10. Decorations and installments	ASIA Owner	265.05	-
11. Furniture and decorations	ASIA Owner	7.75	-
12. Hotel and restaurant supply	ASIA Owner	12.67	-
13. Office supply	ASIA Owner	19.82	-
14. Vehical	ASIA Owner	18.197	2.84

Noted: (1) Financial institute Mortgage as liabilities at present

4.2 Subsidiaries and joint company investment policy

On 31 December 2018, Subsidiaries and joint companies had invested in hotels and restaurants business valued 711.80 million Baht. Also, they invested in shopping center (rental area business) (ZP) valued 428.79 million Baht. The investment proportion is 11.79% of total asset.

4.3 Asset Evaluation

In 2018, the Company and its subsidiaries did not revalue assets during the accounting period.

5. Legal Dispute

The company do not have legal dispute which effects the company assets over 5% of shareholders.

6. 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 baht consisting of 500 million shares with par value of Baht 1.- each

Paid up capital : 320 million baht consisting of 320 million fully paid shares with par value of Baht 1.- each

The Annual General Meeting no. 56 for year 2018 approved the change of the par value from 10 baht per share to 1 baht per share totaling 500,000,000 shares with the registered capital of 500 million baht and 320 million baht of paid-up capital without a change.

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 PraTumnuak Road Pattaya Beach Cholburi.	Hotel and Restaurant	Ordinary Shares	120.0	1,193	99.42%
Asia Airport Hotel Co., Ltd."AA" (Subsidiary Company)	99/2 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Hotel & Service Apartment and Restaurants	Ordinary Shares	495.0	4,949,993	100.00%
Zeer Property Co., Ltd. "ZP" (Subsidiary Company)	99 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Shopping Center (Rent Area) Business	Ordinary Shares	225.0	213,412,200	94.85%
Zeer Asset Co., Ltd. "ZA" (Subsidiary Company) By ZP	165 Rungsit-Nokornnayok Rd. Prachatipat, Pathumthani	Real Estate	Ordinary Shares	30.0	299,699	99.90%
Zeer Oversea LLC"ZO" (Subsidiary Company) By ZP	2662, 22 nd Avenue San Francisco, CA., USA 94116	Shopping Mall for Rent	Ordinary Shares	US\$ 8,850,000	US\$ 8,844,000	99.93%
Spa Hotel Co., Ltd. "SPA" (Subsidiary Company) By ZP	99 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Real Estate	Ordinary Shares	140.0	12,879,987	92.00%

Remarks: ZP has established three subsidiaries, Zeer Asset Co., Ltd, Zeer Oversea LLC. And Spa Hotel Co., Ltd. holding the ordinary shares of 99.90%, 99.93% and 92.0% respectively, resulting ASIA hold the shares indirectly.

**Shares
Registrar**

Name : Thailand Securities Depository Co., Ltd.
Address : 93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone No. : (662)-009-9738-89

Auditor

Company's Name : ANS Audit Co., Ltd.
Auditor's Name : Mr. Atipong Atipongsakul C.P.A (Thailand) No. 3500 or
: Mr. Sathien Vongsnan C.P.A (Thailand) No. 3495 or
: Mr. Vichai Ruchitanont C.P.A (Thailand) No. 4054 or
: Miss. Kultida Pasurakul C.P.A (Thailand) No. 5946
Address : 100/72, 22nd100/2 Vongvanij B Bldg., Rama 9 Rd., Huaykwang, Bangkok 10310
Tel. (662) 645-0109 Fax. (662)645-0110.

Legal Advisor

Name/Address : Mr. Krisadang Nutcharut,
25/7 Moo 19 Soi 21/1, Phutthamonthon sai 2 Rd., Sala Thammasop, Thawi Wattaana,
Bangkok 10170
Telephone No. : 081-646-6293

PART 2

Management and Corporate Governance

7. Share Information and Shareholders

7.1 Number of registered capital and paid capital

As of December 31, 2018, The Company has registered capital of 500 million baht and paid up capital of 320 million baht. The number of common shares 320 million shares, par value equal to 1 baht each. The company has no transaction in increasing and decreasing in capital in the past 5 year.

The Annual General Meeting of Shareholder no. 56 on April 23, 2018 approved the change of the par value from 10 baht per share to 1 baht per share totaling 500,000,000 shares with the registered capital of 500 million baht and 320 million baht of paid-up capital without a change.

7.2 Shareholders

(A) Details of Top-Tenth Major Shareholders as at the latest closing dated for The Company share transfer (29 November 2018)

No.	Name	No. of Shares Held	% of Share Held
1	A.B.K. Enterprise Groups.	148,240,000	46.325
2	Mrs. Pornpun Tanariyakul and spouse	35,727,750	11.165
3.	Mr. Patcharapol Techaruvichit	14,470,000	4.522
4.	Mr. Wutimate Lertvilai	11,529,990	3.603
5.	Mr. Surapol Techaruvichit	9,185,000	2.870
6.	Mr. Somsak Komvutichai	8,609,000	2.690
7.	Mr. Soh Chee Yong	7,650,000	2.391
8.	Mr. Vichai Tiyawongmana	6,750,000	2.109
9.	Mrs. Suvimol Techaruvichit	5,619,960	1.765
10.	Mr. Wichai Arunkamolsri	5,396,000	1.686
	Total	253,177,700	79.118

Remarks : Counting the total amount of shares of related shareholders according to the Section 258 (including spouse and minor child)

(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	72,542,360	22.67
Mrs. Suvimol Techaruvichit	5,619,960	1.76
Mr. Surapol Techaruvichit and spouse	10,258,330	3.20
Mr. Polpat Techaruvichit	1,459,000	0.46
Mr. Patcharapol Techaruvichit	14,470,000	4.52
Mr. Surapong Techaruvichit	2,266,660	0.71
Mrs. Pornpun Tanariyakul and spouse	35,727,750	11.16
Mrs. Oyetip Hayrabut	2,040,660	0.64
Mr. Amorn Techarivichit	700,000	0.22
2. A.B.K. Enterprise Co., Ltd.	148,240,000	46.33
3. Pattaya Hotel Trading Co., Ltd.	3,600,000	1.13

The persons in Techaruvichit Family holds direct ASIA shares totaling 76,743,020 shares or 23.98%

As at December 31, 2018 Techaruvichit group, who is a current executive of ASIA, holds direct shares of the company of 14.94% 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 62.39% 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 2017	% of Share Held in 2018
Mr. Piyawudh Senapooitaksa	266,660	0.08	0.08
Mr. Amorn Techarivichit	700,000	0.22	0.22
Mr. Surapong Techaruvichit	2,266,660	0.71	0.71
Mrs. Suvimol Techaruvichit	5,619,960	1.76	1.76
Mrs. Pornpun Tanariyakul and spouse	35,727,750	11.16	11.16
Mrs. Oyetip Hayrabut	2,040,660	0.64	0.64
Mr. Polpat Techaruvichit	1,459,000	0.46	0.46
Miss Patcha Techaruvichit	0	0.00	0.00
Mr. Sombut Pupipathirunkul and spouse	529,990	0.17	0.17
Mr. Suwat Dusitrojawanongse	850,000	0.27	0.27
Dr. Chotima Puasiri	660	0.05	0.00
Mr. Theerarath Techaruvichit	0	0.00	0.00
Mr. Kriengsak Jumaree	0	0.00	0.00
Director and Executives hold ASIA shares	49,461,340	15.52	15.47

7.3 Other Securities

-NONE-

7.4 Payment of Cash Dividend

- Asia Hotel Public Company Limited

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

Past 3 years record of dividend paid

<u>Period</u>	<u>dividend/share</u>	<u>date paid</u>
1 Jan - 30 Jun 2018	0.10	12 December 2018
1 Jul - 31 Dec 2017	1.25	22 May 2018
1 Jan - 30 Jun 2017	0.60	12 December 2017
1 Jan - 31 Dec 2016	0.85	25 May 2017
1 Jul - 31 Dec 2015	2.00	19 May 2016
1 Jan - 30 Jun 2015	2.25	9 September 2015

Note : Note * The payment date on December 12, 2018 is the payment of dividends from the value of 1 baht per share which has changed the par value according to the resolution Shareholders' Meeting No. 56 on April 23, 2018

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*

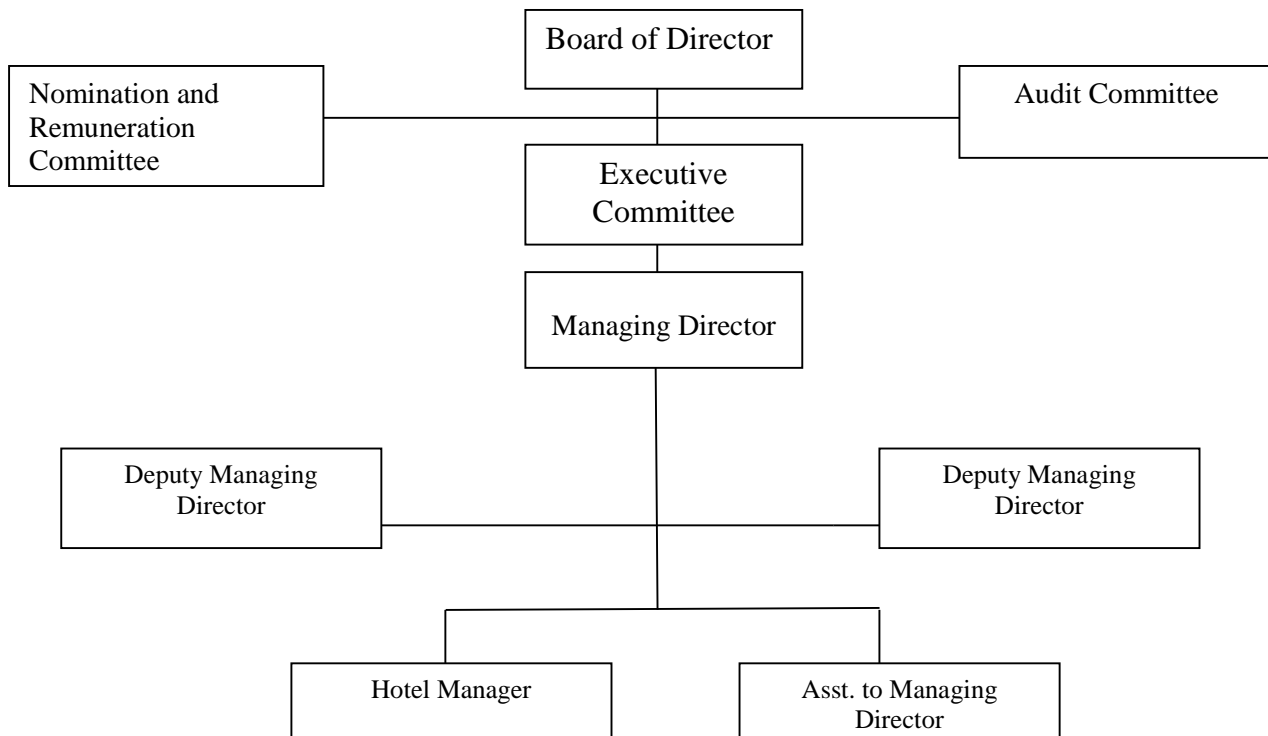
: The policy for paying the dividend is in accordance with the company regulation. The company should reserve the money by not less than 5% until the reserved money is totally up to 10% of the company fund. There is not other regulation.

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

8. 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 2018



8.1 Board of Directors presently consists of 11 members

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

Remarks: * The resolution of the Annual General Meeting of shareholder no. 56 has appointed the three new directors since 23 April 2018 onward.

Board of directors of the Company consists of persons with knowledge, competence and experience in business relating to the Company's operations. They are not persons who are in the list and not considered by the Securities and Exchange Commission (SEC) to be the management executives nominated by the nomination and remuneration committee through the board of 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 shall consist of the directors a minimum of seven persons, but no more than 15 persons, 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 executives of company and approve the remuneration proposed by the Nomination and Remuneration Committee.
- (5) Consider and approve the issues of contingent liabilities, commitments and guarantees of the company and its subsidiaries.
- (6) Propose the director whose tenure will end and the new director in the Shareholders' Meeting and propose the meeting attendance remuneration, bonus for the Board members as well as dividend payment to shareholders.
- (7) Propose the appointment of company's auditor and audit fees in the Shareholders' Meeting in accordance with Audit committee's recommendation.
- (8) Consider and agree on Quarterly and Annual Financial Statements, Annual filing Form 56-1 and Form 56-2 according to the regulation of the Stock Exchange of Thailand (SET) and the Security and Exchange Commission (SEC).
- (9) Consider and approve the related transaction and conflict of interest relating to the purchase of disposal of assets according to the SEC.
- (10) Follow up the monthly and quarterly operating results and financial status of the Company and its subsidiaries
- (11) Consider and approve the agreement on purchasing, hiring servicing, renting and leasing with exceeding value of Baht 20 million
- (12) Consider the purchase of the out-of budget items which value more than Baht 20 million, and the over-budget expense exceeding 20% of approved value.
- (13) Consider on renting and leasing assets for period over 6 years.
- (14) Consider and approve on any matters presented by Executive Committee including legally-required matters to be presented to the Board.

- (15) Board may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and purchase of asset which shall follow the regulation of the SEC and the SET.
- (16) The Board Meeting shall be at least 1 time per 3 months with at least 50% of attendants
- (17) Any directors whose interest relating to the issue shall not be entitled to vote and shall leave the meeting
- (18) Board prepare the annual report of conflict of interest of director and related person or changing item in the report within 30 days, this report will be kept by the company secretary

❖ The Company's structure of directors comprises of 11 members:

- Management executives 4 members (Mr. Amorn Techaruvichit, Mr. Surapong Techaruvichit, Mrs. Pornpun Tanariyakul and Mrs. Oyetip Hayrabut)
- Non-management executives 3 members (Mrs. Suvimol Techaruvichit, Mr. Polpat Techaruvichit and Miss Patcha Techaruvichit)
- Independent 4 members (Mr. Piyawudh Senapooitaks, Mr. Sombut Pupipathirunkul, Mr. Suwat Dusitrojjanawongse and Dr. Chotima Puasiri)

Therefore, to balance and to inspect the execution of the Company, structure of board of directors consists of 7 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. (equal to 36.36 percentage or more than 1/3 of 11 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 9.2 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.

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.

In 2018, there are totally 13 committees' meeting and the participants are as follows:

Name	Position	Tenure	Participate /Number of meeting	Participate 2018 AGM
1.Mr.Piyawudh Senapoopitaksa*	Chairman ID, AC and NRC	APR.2017- APR.2020	13/13	1
2. Mr.Amorn Techaruchit	Vice Chairman	APR. 2016- APR.2019	13/13	1
3. Mr.Surapong Techaruvichit	Director	APR.2016- APR. 2019	13/13	1
4. Mrs.Suvimol Techaruvichit	Director	APR.2018- APR. 2021	13/13	1
5. Mrs.Pornpun Tanariyakul	Director	APR.2017- APR. 2020	12/13	1
6. Mrs.Oyetip Hayrabut	Director	APR.2018- APR. 2021	8/8*	1
7. Mr.Polpat Techaruvichit	Director	APR.2018- APR. 2021	6/8*	1
8. Miss Patcha Techaruvichit	Director	APR.2018- APR. 2021	8/8*	1
9. Mr.Sombut Pupipathirunkul	Director, ID, AC and NRC	APR.2018- APR. 2021	13/13	1
10. Mr. Suwat Dusitrojanawongse	Director, ID, AC and NRC	APR.2016- APR. 2019	13/13	1
11. Dr.Chotima Puasiri	Director, ID, AC	APR.2018- APR. 2021	13/13	1

Remark: * The resolution of AGM no. 56 has appointed Mrs. Oyetip Hayrabut, Mr.Polpat Techaruvichit and Miss Patcha Techaruvichit as new Chairman of the Board effective April 23, 2018 onward.

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

Authorized Directors

“Mr. Amorn Techaruvichit or Mrs. Suvimol Techaruvichit or Mr. Surapong Techaruvichit or Mrs. Pornpun Tanariyakul jointly sign, 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.

8.2 Executive

Executive Committee as at December 31, 2018

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

Duties and Responsibilities of Executive committee as follows:

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

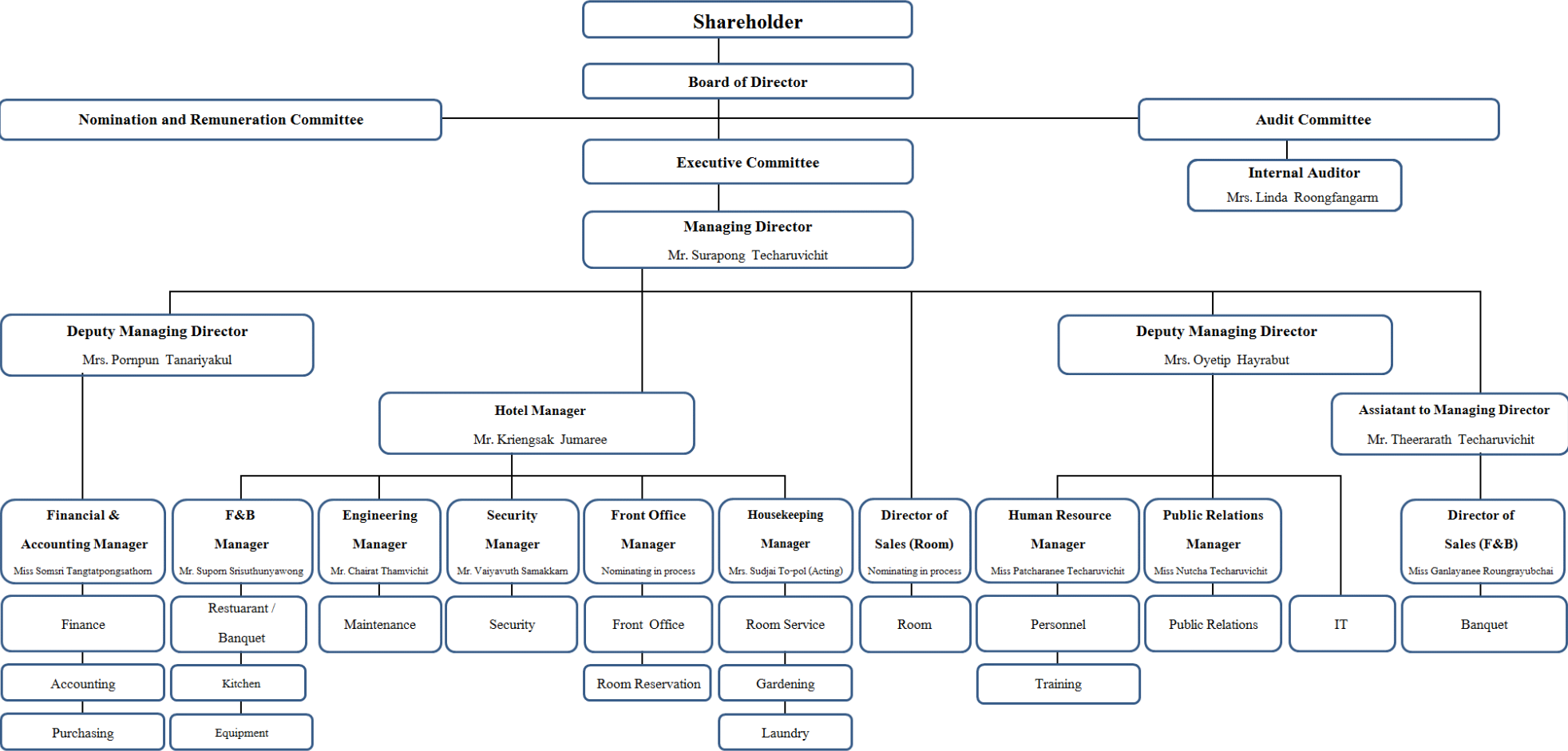
Management Team as 31 December 2018

1. Mr. Surapong	Techaruvichit	Managing Director
2. Mrs. Pornpun	Tanariyakul	Deputy Managing Director
3. Mrs. Oyetip	Hayrabut	Deputy Managing Director
4. Mr. Theerarath	Techaruvichit	Assistant to Managing Director
5. Mr. Kriengsak	Jumaree	Hotel Manager
6. (Nominating in process)		Director of Sales (Room)
7. Miss Ganlayanee	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 Managing Director
3. Mr. Theerarath	Techaruvichit	Assistant to Managing Director
4. Mr. Kriengsak	Jumaree	Hotel Manager

Organization Chart of ASIA



8.3 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.

8.4 Remuneration and Benefits to Board and Management

(1) Remuneration in Cash

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

In 2017, Nomination and Remuneration Committee has considered the remuneration and benefits to Board and Management, has compared with operating of company and economics status, give the opinion of remunerations to the Board of Directors, has considered that remuneration to directors by proposing to the Ordinary Shareholders' Meeting for approval, In the shareholders meeting 2018, the shareholders approved 2018 remuneration increased about 15% from the rate of year 2017 as follows:

Remunerations	Year 2018	Year 2017
Board of Director		
1. Bonus of Board of Director	1,050,000 Baht	920,000 Baht
2. Meeting Allowance per meeting		
- Chairman of Board of Director	20,000 Baht	17,000 Baht
- Vice Chairman	15,000 Baht	13,000 Baht
- Director	10,000 Baht /person	8,500 Baht /person
Remuneration of Committee		
Remuneration of Audit Committee : the audit committee receives the remuneration annually		
-Chairman of Audit Committee	60,000 Bahtper year	52,000 Bahtper year
- Audit Committee member	40,000 Baht/ person	35,000 Baht/ person
Remuneration of Nomination and Remuneration committee : their remuneration was meeting allowance		
-Chairman of Nomination and Remuneration committee	15,000 Baht/meeting	13,000 Baht/meeting
-Nomination and Remuneration Committee member	10,000 Baht /person/meeting	8,500 Baht /person/meeting

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

Remuneration of Audit Committee for year 2018, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval with annual remuneration to be paid in May yearly.

Remuneration of Nomination and Remuneration Committee for year 2018, the Nomination and Remuneration Committee has considered and proposed to the committee meeting and shareholder meeting for approval. Their remuneration was approved at the rate to be given at each meeting.

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

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

Meeting Allowance for Directors per meeting time:

Chairman of the meeting is Baht 6,000.-, Vice Chairman is Baht 4,500.- and Director is Baht 3,000.-. If at any time, director is not available to attend the meeting, the meeting allowance and other bonus will not be paid. In 2018, the subsidiaries appointed an advisor to the Managing Director, they will receive meeting allowance at the same rate as director allowance in each meeting.

Zeer Property Public Company Limited.

In year 2018, 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, 2018

- a) Total remuneration for 11 directors: Bonus and meeting allowance # Baht 3,041,500.00
 b) Total remuneration for 6 executives and management
 Bonus and meeting allowance, salary Baht 7,382,760.00

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. Pormpun Tanariyakul, Mrs.Oyetip Hayrabut, Mr.Theerarat Techaruvichit and Mr.Kriengsuk Jumaree)

Table shows the remuneration received by each director in fiscal year 2018

Name	Meeting Allowance	Meeting allowance for subsidiary AP, AA	Director Bonus	Bonus for Audit Committee	Bonus for Nomination/ Remuneration Director	Total Remuneration
1. Mr.Piyawudh Senapoopitaksa	211,000	60,000*	110,526	40,000	27,000	448,526
2.Mr.Amorn Techaruvichit	185,000	90,000	165,792	-	-	440,792
3. Mrs.Suvimol Techaruvichit	122,500	60,000	110,526	-	-	293,026
4. Mr.Surapong Techaruvichit	122,500	60,000	110,526	-	-	293,026
5. Mrs.Pormpun Tanariyakul	112,500	54,000	110,526	-	-	277,026
6. Mrs.Oyetip Hayrabut**	80,000	-	-	-	-	80,000
7. Mr. Polpat Techaruvichit**	60,000	-	-	-	-	60,000
8. Miss Patcha Techaruvichit**	80,000	-	-	-	-	80,000
9. Mr.Sombut Pupipathirunkul	122,500	30,000*	110,526	40,000	41,000	344,026
10.Mr. Suwat Dusitrojawanongse	122,500	30,000*	110,526	60,000	27,000	350,026
11. Mrs.Chotima Puasiri	114,000	-	110,526	40,000	-	264,526

Remarks * 3 directors have appointed as consult of Managing Director of subsidiaries in year 2018.

** 3 directors have appointed as new directors since April 2018

(2) Other remuneration (If any)

- Other remuneration of director -none-

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

The company pays for 4 executives (Mr.AmornTecharuvichit, Mr.Surapong Techaruvichit, Mrs. Pornpun Tanariyakul, Mrs. Oyutip Hayrabut) total amount Baht 240,000.00

8.5 Employee

In 31 December 2018, the company (Asia Bangkok) has a total of 538 employees.

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
1. Accounting and finance	64	62	66
2. Food and Beverage	186	180	221
3. Personnel	16	14	16
4. Public Relations	7	6	6
5. Marketing	19	20	21
6. Management	31	32	31
7. Front Office	41	46	50
8. Laundry	29	37	30
9. House Keeping	97	76	86
10. Maintenance	34	35	36
11. Security	10	12	12
12. Computer	<u>4</u>	<u>5</u>	<u>4</u>
Total	<u>538</u>	<u>525</u>	<u>579</u>

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

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

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

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

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

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

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

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

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

	Unit: Baht		
	Year 2018	Year 2017	Year 2016
Salary	144,870,813.00	134,553,009.00	134,000,553.00
Bonus	6,920,330.00	2,538,959.00	6,220,276.00
Provident Fund	3,942,391.00	3,797,237.00	3,709,082.00

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 Baht 209,139,170.88 Details are as follows:

Year 2018	Asia Pattaya Co., Ltd. (AP)	Asia Airport Co., Ltd. (AA)	Zeer Property PLC (ZP)
Total Employee (person)	235	306	447
Employee's Remuneration (Salary and Bonus) : Baht	46,284,436.00	64,345,521.00	93,470,013.00
Provident Fund : Baht	1,279,884.88	2,883,224.00	1,876,092.00

Employee Development Policy

The Company has developed the employee with a training center by defining the standard of performance as the norm. The consideration and training will be in accordance with such standards. In addition, the training unit is always responsible for monitoring the service standards of employees in various departments.

In 2018, the company's training department has organized a course of operation supervisor level, assistant level of department head and the level of department heads, divided into 2 groups as follows:

1. Service courses (Practical) The officer will give knowledge of each department, both the hotel and food and beverage departments on a monthly basis, as well as important information about Company that they should know, especially new employee.

2. Curriculum development for supervisor skills The Company has sending employees at the chief level to train to develop skills in being a good leader with external agencies.

The employees at all levels have cooperated in each training course well and the company emphasizes the evaluation of skills and behavior of the employee. The supervisor evaluates the subordinates individually and gives an opportunity to have inter-departmental evaluations at various levels in order to know the improvement or the comments from other departments result to their department leads to higher work efficiency that is consistent with the organization's goal.

9. Governance

9.1 Policy on Corporate Governance

The company recognizes the importance of conducting or operating on good corporate governance since 2004, based on the information in accordance with the previous governance principles 15 items. Later, the Board of Director had reviewed and improved the corporate governance policy by focusing on anti-corruption as announced by the company since 2013. All the board, executives and employees are informed and comply with the corporate governance policy of the company and comply with laws and the Company's Article of Association.

In 2018, the company received an assessment of the 2018 Annual General Meeting of Shareholders from the Thai Investors Association, scoring 98 points out of 100 points (AGM Level = 4) from the overall assessment of 657 companies with the average scoring of 92.42 points, reflecting the attention to information disclosure and equitable treatment of shareholders that in the following year, the company will try to increase the rating to be higher. In addition, the company has been evaluated the corporate governance of Thai listed companies (CGR) for the year 2018, the level of "very good" from the Thai Institute of Directors (IOD) with CG score 4 stars.

The Securities and Exchange Commission (SEC) has introduced the Corporate Governance Code (CG Code) in the year 2017 as a guideline for the Board of Directors who are the leader and governing body of the listed company. It is used to regulate the business operations in the long run. Trust for the shareholders and the people around them for the sake of sustainability. The Office of the Securities and Exchange Commission (SEC) has provided the Company with corporate governance reports in the form of CG Code, commencing in 2018, which has been acknowledged by the Board of Directors for consideration. In 2018, the Board of Directors has considered in order to be clear and agreed to cancel the former corporate governance policy and approved the use of Corporate Governance Principles of the company (2561) with 5 items as follows:

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 with 8 principles of CG-Code that the Board of Directors must adhere to as follows:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

Principle 2: Define objectives that Promote Sustainable Value Creation

Principle 3: Strengthen Board Effectiveness

Principle 4: Ensure Effective CEO and People Management

Principle 5: Nurture Innovation and Responsible Business

Principle 6: Strengthen Effective Risk Management and Internal Control

Principle 7: Ensure Disclosure and Financial Integrity

Principle 8: Ensure Engagement and Communication with shareholders

In addition to the principles of good governance, the company has reviewed Business Code of Conduct, Directors, Executives and Employee's Ethics, Code of Conducts for Directors, Executives and Employees, and policies such as Internal Control Policy, Disclosure and Transparency Policy, Environmental Policy, Health and safety Policy, Whistleblower Policy and Complaint Protection and the Manual Supplements to the Policy on Anti-Corruption including regulations for giving gifts, award, charitable donations and sponsorship regulations, which were approved on 11 January 2019 by the Board of Directors and written in writing and published on the company website (www.asiahotel.co.th)

The Board has self assessed in Corporate Governance for the year 2018 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 consider and approve to appoint directors and remuneration of the board of director, the committee: the audit committee and nomination and remuneration committee.
3. To consider and approve to appoint the auditor and audit fee.
4. To consider the effect the operation of company such as dividend payment, the amendment of the Articles of Association of the Company, the amendment of the Memorandum of Association of the Company, Increasing and decreasing capital and approval the extra item.
5. 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, annual report, F56-1, Corporate Governance and other information of company will be added to Investor Relation of the company's website. (www.asiahotel.co.th)
6. In determining the date of the annual general meeting of shareholders, the date, time and place that the shareholders are able to attend the meeting is convenient. The company office is Asia Hotel, located in the heart of the city and connect the BTS station "BTS Ratchathewi" and the meeting date is not on public holidays.
7. In October 2018, the Company considered giving chance to the minor shareholders to propose the meeting agenda in advance including nominating qualified persons to be director and shareholder question's according to specified criteria. Forms can be downloaded from the company website under topic Investor Relation. Complete forms to be submitted within 31 December 2018 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 2019.

On 31 December 2018, no one of shareholder propose any agenda and the person who nominating qualified persons to be director and no question about the meeting for annual general meeting for the year 2019.

For institutional investors who wish to attend the shareholders' meeting. The company welcomes and encourages to attend the meeting as well as every shareholder and all groups, the company do not set rules to be complicated without the need for shareholders to appoint proxies to attend the meeting instead such as requiring the document certification by Government agencies, etc.

8. The Company provided sufficient information of each meeting agenda in invitation letter for considering as follow:
Agenda for election of directors Both directors who have completed their terms and are nominated for a new term and appoint a new director. The company has provided information on Director's Profile, type of director to proposed, age, gender, education history, training,

shareholding proportion in the company, past 5 years working experience, family relationship, term of directorship and directorship in other listed companies or non-listed companies, participate in the meeting of the Board or Committees or Shareholders' Meeting in the past year (In the case of directors who have completed their term)

Auditor election agenda The company provides 4 names of auditors, including work history, educational background, and number of years signed in the company's financial statements along with the audit fee / other expenses (if any) for both the company and its subsidiaries by comparing the previous year and the proposed year

Agenda for amendment of company regulations The Company provides information for amendment, specifying 5 topics, with 5 original regulations and 5 new regulations for the meeting to compare.

Agenda for changing the value of shares The Company informed the change of par value from the original 10 baht per share to 1 baht per share, resulting increased in the number of shares with unchanged in registered and paid-up capital

Agenda for amendment to Clause 4 of the Memorandum of Association regarding the registered capital of the Company in order to be consistent with the change in the stock value.

In every agenda, in 2018, the criteria for voting must be passed with a majority vote or not less than two-thirds or not less than three-fourths of the attendees and entitled to vote.

However, there are procedures and evidence of registration documents for the registration of both individuals / juristic persons. Shareholder and proxy, Regulations relating to attending shareholders' meetings, Proxy Form B, Information of Independent Directors who may be Proxies and travel map to Asia Hotel.

9. The shareholder's meeting in 2018, The meeting documents were sent to shareholders not less than 18 days in advance, the meeting information were also presented on the Company's website; www.asiahotel.co.th not less than 21 days before. For the next years, the Company has a target to complete the meeting information 30 days before the meeting according to the corporate governance
10. 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.
11. 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.
12. In 2018, total 8 directors (include 2 sub-committees) participated equal 100% of total board in the shareholder meeting together with the auditor, the legal consultant who be the witness voting 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.
13. The Company uses card for voting in the meeting. Before starting the meeting, the secretary informs the meeting how to use the voting card in various agenda. Some agenda items require a majority vote or not less than two-thirds or not less than three-fourths of the eligible voters attending the meeting. According to the company's regulations, including the agenda for the election of directors The Company provides voting on an individual basis. The vote counting method in order to speedily use the scoring method, all the quorum is considered "Agree" with the opinion of the board. If there are any shareholders "Disagree" or "Abstain", use voting cards to inform the company before announcing the results at the meeting, for deducting the vote from

the total number of quorum then get the total “Agree” or “Disagree” or “Abstain”, 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 and if any member of the committee should conflict of interest from any agenda he will not be allowed to participate in that agenda.

In every year, the company assign the external company that expert to use the barcode registration system and the vote counting program system in the meeting room, bring pronunciation results to the LCD screen for speed, accurate and transparent

14. 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 will do of the Company and subsidiaries expected in the future. Time is provided sufficiently and equally. There is no special agenda other than those specified and report the resolution of the shareholders' meeting via the Setportal system within the said date.
15. 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”, “Disagree” and “Abstain” 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.
16. The Company has the control on the use of inside information both financial and non-financial bring personal benefits. 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.
17. 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, 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.

However, the company does not have a policy that requires the board to notify in advance to the company in the purchase and sale of the company's securities due to the lack of movement of securities holding by the directors.

2. The Role of Stakeholders

The Board of Directors defines thegovernance 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, have a responsibility to maintain a safe working environment for the life and property of employees and strictly adhere to labor laws. Yearly assessment has been done fairly and provide appropriate returns and pay attention to health. The company support savings for retirement with happiness. There are a staff welfare committee and provident fund for all employees and executives, all departments beyond the law.

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

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

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

- 5) **Supplier:** Company treats all suppliers and contractors justly and equally which will never damage the company's reputation and always take into account the equality in doing business and profit sharing. Consider that suppliers are the main factor to help add value of confidence to the customers.
- 6) **Communities:** The Company would not do any thing to damage the communities especially at the area nearby the business establishment of the Company.
- 7) **Environment:** The Company realizes the importance of environment and engaged in many environmental projects, giving knowledge to employees and monitoring the environmental quality continuously.

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

However, even though not yet certified to be a member of "CAC". The company has adhered to the Anti-Corruption policy and Policy manual. As well as various regulations that have already appeared on the company website and has been publicized to all stakeholders directly which has been consistently practiced consistently.

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 on various topics as follows

- Vision
- Nature of business / Management structure
- The Board
- Financial information - 5 years past financial statements and operational results from management
- Information about major shareholders
- Stock price of the company
- Corporate Governance Policy
- Sustainability Report
- Inquiries / complaints

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 ext.5512 and Company Secretary email address sudarat@asiahotel.co.th

4. Board Responsibilities

In 2018, the Board of Directors has considered the CG-Code corporate governance principles that the SEC has presented to the listed company since 2017. The Board of Directors “ASIA” has already performed its duties in accordance with this oversight principle. Some issues may not be reported or mentioned in the annual report. Therefore, they reviewed the said policy and approved the principles of corporate governance “CG Code” (Issue 2561) on January 11, 2019, published within the organization and outside the organization through the company website.

The Company has a structure of the Board of Directors that is diverse in terms of skills, experience, knowledge, specific competencies that are useful to the company and non-discrimination in sex which the whole group has 11 persons, consisting of:

- **Management executives** 4 members (Mr. AmornTecharuvichit, Mr. Surapong Techaruvichit Mrs. PornpunTanariyakul and Mrs.Oyetip Hayrabut responsible for the management of all 4 Hotels.
- **Non-management executives** 3 members (Mrs. Suvimol Techaruvichit, Mr. Polpat Techaruvichit has knowledge of real estate business, shopping center, apartment, and Miss Patcha Techaruvichit has knowledge in hotel business both domestically and internationally and new entrepreneurial knowledge)
- **Independent** 4 members (Mr. Piyawudh Senapoopitaks, Mr.Sombut Pupipathirunkul, Mr.Suwat Dusitrojanawongse and Dr.Chotima Puasiri who have knowledge of insurance business, construction, accounting, business administration and economics)

Sub-committee Namely the Audit Committee, 4 persons, the Nomination and Remuneration Committee, 3 persons and the management team 15 persons.

However, to balance and to inspect the execution of the Company, structure of board of directors consists of 7 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 11 members of board of directors). The company also appointed audit committee and 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.

The Board of Directors clearly determines the authority and duties of the Chairman and Managing Director, to prevent anyone from having unlimited power. There is no policy for the Chairman and the Managing Director to be the same person or in the same family. The company has a policy to appoint the chairman of the board as an independent director which was appointed in March 2018 ago.

However, the position of director, the company is still unable to determine the number of terms that must be held as long as possible. As well as determining the number of years that an independent director can remain for a period of not more than 9 years from the date of his first appointment as an independent director, with tradition, corporate culture and confidence in the independence of good governance for the organization of all independent directors.

In addition, the number of directors (excluding independent directors) in the Board of Directors is not in accordance with the fair proportion of each shareholder's investment. The company has considered the knowledge, appropriateness and ability of each director as important as proposed by the Nomination and Remuneration Committee.

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 8 Management; Item 8.1 Authorities in the Management Structure and item 9.2 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.

9.2 Committee

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

- Audit Committee

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

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

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

The current Audit Committee has completed the 3 year term of service in May 2018. The Nomination and Remuneration Committee considered and proposed to the Board of Directors Meeting No. 6/2561(6/2018) to consider and be appointed as the Audit Committee of the Company for another term.

Audit Committee as at 31 December 2018

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

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

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

- (1) Review the accuracy and adequacy of the Company's financial statements.
- (2) Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the independence of the Internal Audit Office, as well as to approve the appointment, rotation and removal, and performance development and appraisal of the Chief Internal Audit or the Internal Auditor.
- (3) Monitor the Company's compliance with the Securities and Exchange Acts and Regulations of the SET, and any other laws relevant to the Company's business.
- (4) Recommend the Board of Directors an independent person to be the Company's auditor as well as the audit fees for appointment by the shareholders to audit the Company's financial statements.
- (5) Attend a meeting with external auditors without the presence of the Company's Management at least once a year.
- (6) Consider connected transactions or transactions with potential conflict of interests to ensure full compliance with relevant regulations and requirements of the SET for reasonableness and the best interests of the Company.
- (7) Review the Internal Audit Charter prior to submission to the Board of Directors for approval.

- (8) Approve the annual audit plan, scope of audit and internal audit budgeting.
- (9) Review the internal audit reports and follow up the significant issues from the reports.
- (10) Review the Code of Conduct prior to submission to the Board of Directors for approval.
- (11) Review jointly with the Management the risk management policy, the practice compliance with such policy, as well as the Company's risk management guidelines.
- (12) Review jointly with the Management the Management's Discussion and Analysis or MD&A section which is disclosed in the Company's annual report.
- (13) Prepare the Audit Committee's Report, signed by the Chairman of Audit Committee, promulgated in the Company's annual report and contained the information required by the SET.
- (14) Inspect any suspiciousness reported by the company's auditor, that the Chairman, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor.
- (15) Any other tasks assigned by the Board of Directors and agreed by Audit Committee.

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

The meeting of audit committee according to its charter shall be arranged at least once in a quarter. In 2018, there were 9 meetings arranged by audit committee and the result of the meeting and auditing including the consideration of the connected transaction, internal control and 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 2018

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

- Nomination and Remuneration Committee:

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

The Current Nomination and Remuneration Committee had appointed by the resolution of the Board of Directors' Meeting No. 1/2562 held on January 11, 2019, the three directors had be re-elected for another term. It will be completed in January, 2022.

Nomination and Remuneration Committees as at 31 December 2018

1. Mr. Sombut	Pupipathirunkul	Chairman (Independent Director)
2. Mr. Piyawudh	Senapoopitaksa	Member (Independent Director)
3. Mr. Suwat	Dusitrojjanawogse	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 2018 the above committee held three meeting and submitted a report to the Board of Director on the suitable persons nominated for committee. Committee remuneration to be concluded and proposed to the Board of Director's meeting before proposing to the shareholders' meeting for approval.

Meeting participation of Nomination and Remuneration in the year 2018 Table

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

9.3 Selection of committees and executives.

(1) Independent Director

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

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

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

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

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

(2) Selection of Directors and executives

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

Based on the self-assessment of the directors for the year 2018, the committee evaluated in early 2019. All directors assessed individually and the whole group. As well as the self-assessment of committees which the secretary of the committee gathers to present to the Nomination and Remuneration Committee. Summary of the proposal to the Board of Directors for acknowledgment to improve the process development according to the guidelines of the Stock Exchange of Thailand. The assessment results are in the 95% criteria, as the same as the previous year with a plan for succession planning for high-level executives that are important in order to continuously conduct the business of the company.

In 2018, the Board of Directors evaluated the performance of the Managing Director. All directors except the Managing Director will receive the CEO evaluation form in advance and bring the assessment results to the Nomination and Remuneration Committee on the meeting date of January to evaluate the overall performance of each year.

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 2019 Ordinary Shareholder Meeting within December 31, 2018. 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.

For the number of directors according to the Articles of Association of the Company No. 16. The Board of Directors of the Company shall not be less than 7 persons but not more than 15 persons. The total number of the Board of Directors is currently 11 persons. There are 4 independent directors equally 36.36% or 1 in 3 of the total number of directors and being a qualified person as required by law.

Succession Plan

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

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

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

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

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

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

9.4 Subsidiary Company Governance

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

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

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

2. Shopping Center business (rental): The Company supervises the operations of the subsidiaries by inviting the executive directors of the subsidiary to attend the meeting with the board of directors on a quarterly basis in order to monitor the operating results and business direction of the subsidiaries. And sometimes the Board gives advice and requests to adjust the direction of the business of the subsidiary to be consistent with the overall picture of the entire business group.

9.5 Control of Inside Information

According to the rules on securities holding of the company executives from the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand that requires the directors and executives to report when there is a change in the number of securities held. The company has a policy to supervise the management to prevent the use of internal information, both financial and non-financial information to use for personal gain by prohibiting directors and executives including spouse and underage children of such executives use insider information that has not been disclosed for trading. Transfer or accept transfer of securities issued by the company before the information is disclosed to the public for 1 month and every trading, transfer or acceptance of the securities issued by the company. The directors, as well as the executives who report to the company, must notify the company within 3 working days from the date of purchase-sale or transfer, including sending copies of such documents to the administrative office for reporting of the company.

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.

9.6 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 ...6,292,000.00....Baht.

<u>Name</u>	Unit: Baht <u>Audit Fee year 2018</u>
Asia Hotel Public Co., Ltd.	1,670,000.00
<u>Subsidiaries</u>	
1. Asia Pattaya Hotel Co., Ltd.	1,100,000.00
2. Asia Airport Hotel Co., Ltd.	1,010,000.00
3. Zeer Property Public Co. Ltd.	1,770,000.00
4. Zeer Asset Co., Ltd.	92,000.00
5. ZEER OVERSEA LLC	300,000.00
6. Spa Hotel Co., Ltd.	<u>350,000.00</u>
Total Audit Fee	<u>6,292,000.00</u>

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

10. Corporate Social Responsibility

10.1 Overall Policy

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

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

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

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

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

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

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

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

In December 21, 2016, the Company sent out the self-assessment report and the related anti-corruption details to Institute of Directors (IOD) which is secretary of this "CAC" project, in order to be approved of being a member of private sector of Thailand Against Corruption (Collective Anti-Corruption) "CAC". Subsequently, the CAC Council held a meeting on November 10, 2017. The resolution was approved by the CAC Council to bring the documents back to the CAC on the recommendation of the CAC sub-committee. Asia Hotel Public Company Limited can re-enter the project by signing the declaration of intent again.

3. Respect for Human Rights The Company give a respect to basic human rights categorized into 2 category. The first category is the civil and political rights and rights of freedom in expression and the second category is socio-economic and cultural rights, right to work or right to receive food, and right in health. The Company support social activities and employee activities which don't affect or damage to the reputation or interest of the Company or doesn't polished any duties of people. Use political right according to the law and avoid actions that can cause misunderstanding that the Company involved in any political parties. However, in terms of political rights, the company encourages employees to take 2-hour voting right without deduction.

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

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

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

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

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 The Company considers the environment to be a related relationship between human, animals, trees, life, mind, balance and living together. Therefore, environmental care is the responsibility of the company to society and is the duty of every employee with the objective, protect pollution, Control the weather, wastewater and waste material from operations to be better than the standard and the regulations prescribed by law, saving resources, comply with the existing and future applicable law and 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 Reduction of plastic use. The company has reduced plastic waste with the following actions:

6.5.1 Change some disposable plastic containers into other biodegradable containers.

6.5.2 Canceling use of wrapped plastic of water bottle caps.

6.5.3 Reduce the plastic tubes in various dining rooms, except in the case of customer requesting.

6.5.4 Reduction of spoon-fork plastic for food or snacks that customers buy back home and the bakery shop, except in the case of customers requesting.

6.5.5 Encourage customers to refrain plastic bags when buying snacks in the hotel bakery, the customer will receive the gift as paper wrapped cookies

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

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

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

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

6.7 Employee Safty. The Company always reminds of the safety of all the employees.

In 2018, there was the accident of employee 9 cases, more than the accidents in 2017 that was 6 cases. Mostly, it was because they slipped, be sharp, scalding and failing especially in the kitchen area.

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 14 January 2018, the company invited neighbors to join food offering to 108 monks. The activity is scheduled annually and it has been done for over 10 consecutive years.

7.2 On 12 January 2018, the company joined activities with the community and schools nearby – Sammachewasil School and Kingpetch School on the National Children’s Day by hosting lunch, gift and provided some activities.

7.3 On 26 April 2018 and 19 November 2018, 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 2018, 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 10 November 2018, the executives, employees and their families have participated in Katin dedication at Chiangmun temple which is at Chiang Mai province to promote Buddhism religion. The company also tries to arrange this activity with its subsidiaries every year.

7.6 The Company provide free parking when the Foundation for the Welfare of the Mentally Retarded of Thailand under the Royal Patronage of Her Majesty the Queen organized important activities to promote the Foundation for the Development of the Quality of Life of the Disabled.

8. Innovation and dissemination of CSR innovation from social responsibility

The company places importance on saving energy, saving time to increase efficiency and quality of work. By using the internal communication system with a convenient application via modern mobile phones to work in various departments such as the housekeeping department, reception desk, etc. In addition, additional computer systems have been used in these kitchen tasks, it can increase the efficiency of work within the organization. Both in providing good customer service and faster. As well as increase the efficiency of internal control, data storage, report preparation for management and coordination between departments can be improved in addition to increasing efficiency and quality of work, also makes it possible to reduce work time and reduce work problems as well.

In addition, the company has improved and changed many large machines that have a long service life, cumbersome work, consumes energy, long time and labor, such as changing the boiler machine from the grade A fuel oil system to a gas system to reduce air pollution. The changing of the chiller machine from the original system to a new system with better machine performance, thus saving energy. In the laundry department have changed the old ironing machine, to be a large automatic fabric ironing machine add automatic towel roll machine which can save working time, save electricity, steam energy and save labor significantly. In the kitchen has added many modern kitchen types of equipments, making cost savings and significantly save working time.

The company has continued planning to improve work efficiency and modernize various machinery by using new innovations computer system, the computer program as well as various tools for organizational development and society continuously and sustainably forever.

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 task 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 4 programs established with 4 schools as the followings:

2.1 **Sukhothai Commerce Technological College, Dusit Bangkok**

The program has started since September 2015

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

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

2.2 **Khemarat Industrial And Community Education College, Ubonratchathani Thailand**

The program has started since May 2014

Objective: To support, promote knowledge and practice student experience at vocational certificate level (vocational certificate), produce personnel at the level of semi-skilled craftsmen, craftsmen, technicians and in the hotel and tourism business. To develop students' potential Students have higher professional qualifications together with Asia Hotel, this is the development of a bilateral vocational education system to practice student performance to be consistent with the needs of the workplace systematically and continuously. There is a 3-semester cooperation period from 1 April 2014 to the present. The hotel must arrange for accommodation allowances, uniforms, transportation costs, medical expenses and supervisor to take care students throughout the career training period. If this agreement due, they can be automatically renewed for another 3 semesters.

2.3 **Nakhon Pathom Vocational College**

The project has started since September 2017.

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

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

2.4 Chetupon Commercial College

The project has started since May 19, 2017

Objective :

- 2.4.1 To coordinate cooperation between public and private sectors in vocational education by promoting and supporting teaching and learning management together for students Academic branch of the Chetupon Commercial College under the Office of the Vocational Education Commission.
- 2.4.2 To produce and develop manpower to meet international standards in line with the needs of the labor market which is changing rapidly.

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.

Granting of Children's Day, Year 2018, Kingpetch School and Samma Archewa School , Ratchathewi, 12 January 2018



"Papa project" donation for academic year 2018
Kingpetch School, January 12, 2018



Basic Resuscitation Training Course and the use of automatic heart electrocardiogram
in 2018 on June 27, 2018



To the 12th year, the company invite neighbors to join food offering 108 monks and Phra Batmongkoltham at the front of Asia Hotel, Rachatewi on January 14, 2018



Katin Festival Year 2018, Wat Chiang Man, Muang District, Chiang Mai Province, 10 November 2018

Kathin Festival Year 2018 at Wat Pa Arayawangsaram, Bang Sai District, Phra Nakhon Si Ayutthaya Province on 11 November 2018



Youth "Phalung Dee Group" has trained in Asia Hotel Bangkok.
 On 18 -19 October 2018 and 25-26 October 2018



Seminar on Alzheimer's topics, CSR Activity at
 King Thong Room, Asia Hotel Bangkok on November 17, 2018



Blood Donation Activity for the year 2018
 on April 26, 2018 and November 19, 2018



11. Internal Control and Risk Management

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

The Risk Management Team as at 31 December 2018

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

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

The company has appointed Mrs. Linda Roongfangarm to be an Internal Auditor of the Company. Her duty is to be a consultant of the company, evaluate the internal control system, and follow up the risk management and governance of the company to be arranged sufficiently and efficiently according to the objective established. She also performs a role of inspecting the company to ensure that the practice of the company is under the rules, regulations and laws relating to the business of the company according to annual internal audits plan. Mrs.Linda Roongfangarm has performed her duty satisfactorily according to the internal audit procedure of 2018.

In the Year 2018, 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. 2/2562 that held on 21 February 2019. The conclusion was that the Company has adequacy and suitability for internal control of the existing operation according to 5 aspects for the internal control as follows:

1. Control Environment: the board of director of the company has established the operation policies, which were conducted in writing based on ethical provision and integrity. The committee has the role of surveillance, monitoring the administrative section and follow up the business performance respecting the particular objectives. The committee can also develop the internal control system continuously in accordance with their discretion and knowledge of the company. The company also has a policy to develop and preserve the competent personnel. The personnel evaluation is assessed through the performance based on the Code of Conduct.

2. Risk Management: The Company lends significance to the risk management by forming the risk management team to conduct the assessment on risks that might affect the Company's operation significantly from both internal and external risk factors every quarter. The company has assessed risk factors whether it is acceptable or not and also evaluated if the risk factors can be reduced, avoided or shared to find out measures for preventing or reducing the risk by considering a chance of corruption within the company. Another purpose is to consider the situation related to risk factors for evaluating the tendency of any effect on the company.
3. Control activities: The Company has clearly defined the scope of duty and amount shall be authorized by each level of management executives in writing. Duties are separated to protect racketeering activities. The company has set the follow up measure according to SET and SEC regulation to inspect the related documents in order to maintain the benefits of the company. The Company continuously monitors the operations of subsidiaries and sets the direction to the person who has been appointed by the Company to be directors or management executives to follow. Moreover, Audit Committee has placed great emphasis on assessing the compliance to the rules and regulations relating to the business activities of the Company to diminish the risk in the business and maintain the fame of the Company.
4. Information and Communication: The Company provided effective internal and external communication, accounting and financial information system as well as providing enough useful information for the board directors for consideration and making decision. Conference proceedings and documentaries also provide if any retrospective examining is required. Communication between committees, auditors, and internal auditors is also consented besides the conference. Moreover, the company provides the notification center for any compliments and complaints through the company's website.
5. Monitoring activities: The Company provided the measure to follow up internal control system continuously. The auditing result will be reported to the Audit Committee and its copy will be proposed to the management executives and inspectors for acknowledgement and taking the opinion of internal auditor to improve defects or weakness found from auditing as well as reporting the follow-up result for improvement of each department to Audit Committee.

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

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

12. 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 2018, The company and its subsidiaries had 17 connected transactions as follows:-

ASIA	Asia Hotel Public Co., Ltd.	AA	Asia Airport Hotel Co., Ltd.
AP	Asia Pattaya Hotel Co., Ltd.	ZP	Zeer Property Public Co., Ltd.
ABK	A.B.K.Enterprised Co., Ltd.	DM	DonMuang Grand Plaza Co., Ltd.
ZA	Zeer Asset Co., Ltd.	SPA	Spa Hotel 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 58.99 Million for the year 2017

Baht 56.03 Million for the year 2018

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 194.58 Million for the year 2017

Baht 154.26 Million for the year 2018

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** ZP, a subsidiary (in the proportion of shares of 94.85%) and ASIA, the registered company
- Description** Inter-transaction of loan and accrued interest payable
- Value (Million Baht)** Baht -0- Million for the year 2017
 Baht 93.10 Million for the year 2018
- Importance and Reasons** ZP had granted loan to the ASIA for supporting the operation. The Interest was calculated and the current interest rate is at 5.995%.
-
- 4. 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 2017
 Baht 1.20 Million for the year 2018
- Importance and Reasons** AP rented the ASIA area for setting the office at the monthly rate of Baht100,000.-
-
- 5. Name and Relationship** ASIA, a registered company, AA, AP, ZP, a subsidiary company and Namseng Insurance Public Company Limited “NSI” has 1 members on the board of directors of ASIA, AA, AP and hold shares in the ASIA, NSI (Mrs.PornpunTanariyakul)
- Description** Made property risk insurance with the All Risk Insurance and Public Liability Insurance. The value is calculated as premium.
 In year 2018, ZP especially made business interruption insurance increased, to support the potential diaster because the Shopping center has high risk of unexpected accident.
 The period of insurance was 1 year, NSI-The insurer and ASIA, AA, AP, ZP - The insured
- Value (Million Baht)** ASIA= Baht 0.92 million for ASIA Amount Insured: Baht 1,853.0 million
 AA = Baht 0.59 million for AA, Amount Insured: Baht 1,322.0 million
 AP = Baht 0.34 million for AP, Amount Insured: Baht 753.0 million
 ZP = Baht 4.78 million for ZP, Amount Insured: Baht 5,370.0 million
- Importance and Reasons** It was the insurance made for supporting normal business with the general trading conditions and the remuneration can be calculated from the assets and referred values.
-
- 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 rented 5th floor area from ZP to use as function room
- Value (Million Baht)** Baht 10.89 million for the year 2017
 Baht 10.89 million for the year 2018
- Importance and Reasons** AA rented area on 5th floor with an area of 9,072 square meters from ZP to use as function room. Rental period is 3 years from 1st April 2016 to 31st March 2019 by using the same rate as the other clients in nearby area.
-
- 7. 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 2017
 Baht 390 Million as the end year 2018
- Importance and Reasons** AA has leased some areas of G floor, the 6th floor and the 9th floor and entire area of the 10th -17th floor, with a total area of 39,380 square meters from ZP. The contract period will be expired on Mar 31, 2023 or 12 years remaining. On Dec 18, 2009, AA renewed the lease contract for extension of the contract period for another 16 years that is from April 1, 2023 to Mar 31, 2039 or 28years remaining. ZP charges the lease rate at Baht 390 Million, it will be paid in 3 installments; Baht 170 Million in December 2009, Baht 180 Million in February 2010 and Baht 40 Million in June 2010. These lease rate included the monthly service fee of Baht 0.59 million (starting April 2023), the rate will be adjusted of

10% increasingly at every 3 years. The value of lease rate is concordant with the value evaluated by valuers approved by the Thai Valuers Association (TVA) and the Valuers Association of Thailand (VAT) that is Agency for Real Estate Affairs Co., Ltd. valued at Baht 425 Million.

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 rental area and service fee, ZP received from AA
Value (Million Baht)	Baht 1.72 Million for the year 2017 Baht 1.79 Million for the year 2018
Necessity and Rationality	AA rented the area on 8 th floor from ZP with area 520.4 square meters with a 3-year contract from 1 July 2015 to 30 June 2018 at the monthly rate Baht143,110.- At present this contract is extended for 3 years from 1 July 2018 – 30 June 2021 with the new monthly rate of Baht 156,120 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 area rental AA received from ZP
Value (Million Baht)	Baht 1.41 Million for the year 2017 Baht 1.41 Million for the year 2018
Necessity and Rationality	ZP rented 6 th floor area from AA with 3 years contract from 1 January 2016 to 31 December 2018 at the monthly rate Baht 117,612.-. At present this contract is extended for 3 years from 1 January 2019 – 31 December 2021 with the new monthly rate of Baht 129,300 with the same rate as the other clients in the nearby area.

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	Income from Maintenance Fee ZP received from AA
Value (Million Baht)	Baht 2.89 Million for the year 2017 Baht 3.18 Million for the year 2018
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 from 1 January 2018 – 31 December 2020 with the monthly rate of Baht 265,250.-

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	Rental transaction “Asia Cha-am Hotel” running hotel business (AA is a rentee and ZP is a renter)
Value (Million Baht)	Baht17.00 Million for the year 2017 Baht18.20 Million for the year 2018
Necessity and Rationality	ZP is the owner of property Asia Cha-am Hotel, Petchaburi Province. The bid for rental fee and managing hotel business has been made and AA has been selected to operate the hotel business by using the name “Asia Cha-am Hotel”. The rental contract is 3 years (1 November 2016 – 31 October 2019). At present AA rent a new building as banquet rooms from ZP in Project Asia Cham Hotel, the new rental lasts until October 2019.

12. Name and Relationship	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 0.76 Million for the year 2017 Baht 0.84 Million for the year 2018
Necessity and Rationality	AA rented parking area from ZP for the convenience of hotel clients with 3 year contract from March 1 st , 2016 to February 28 th , 2019 at the rate of Baht 58,462.- per month for the 1 st year, 64,308 baht/month for the 2 nd year and 70,739 baht/month for the 3 rd year.

13. Name and Relationship 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 0.88 Million for the year 2017
 Baht 0.91 Million for the year 2018
Necessity and Rationality AA uses the parking management service from ZP with 3 years contract period from June 1st, 2017 to May 31st, 2020 at the rate of 74,280 baht/month for the 1st year, 76,880 baht/month for the 2nd year and 79,570 baht/month for the 3rd year.

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 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 2017
 Baht 22.34 Million for the year 2018
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 29 years according to TAS16

15. 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 1,125 Million for the year 2017 to guarantee for credit line
 Baht 1,125 Million for the year 2018 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.

16. Name and Relation AA (A subsidiary of ASIA holding 100% of its shares) and ZA (A subsidiary of ZP holding 99.90% of its shares)
Nature of Transaction Income from rental area for Ratchapruerk Lanna Boutique, Ampor Hangdong Chiang Mai, ZA received from AA
Value (Million Baht) Baht -0- Million for the year 2017
 Baht 2.40 Million for the year 2018
Necessity and Rationality AA rented Ratchapruerk Lanna Boutique, Ampor Hangdong Chiang Mai from ZA for operate room for rent, 35 guest rooms with 3 year contract from May 1st, 2018 to April 30th, 2021 at the rate of Baht 300,000.- per month

17. Name and Relation AA (A subsidiary of ASIA holding 100% of its shares) and SPA (A subsidiary of ZP holding 92% of its shares)
Nature of Transaction Income from rental area for Darley Hotel, Ampor Changmoi, Chiang Mai, SPA received income from AA
Value (Million Baht) Baht -0- Million for the year 2017
 Baht 0.15 Million for the year 2018
Necessity and Rationality AA rented Ratchapruerk Lanna Boutique, Ampor Hangdong Chiang Mai from ZA for operate room for rent, 35 guest rooms with 3 year contract from October 1st, 2018 to September 30th, 2021 by adjusting the rental fee according to the conditions of the lease agreement in the first period Oct. 2018 - December 2018, monthly rate of 50,000 baht, January - December 2019, rental rate 300,000-600,000 baht, Jan 2020 - Dec 2020, rental rate 600,000-850,000 Baht during January 2021 - September 2021, rental rate 850,000-1,000,000 baht.

Part 3

Financial Status and Operating Result

13. Important Financial Information

1. Table of Consolidate Financial Statement

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018 , 2017 AND 2016

(Unit : Million Baht)

Item	2018		2017		2016	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets						
Cash and cash equivalents	56.90	0.59	66.50	0.72	79.99	0.89
Current investments	0.72	0.01	0.68	0.01	0.68	0.01
Trade and other receivables-net	109.90	1.14	104.17	1.12	105.00	1.16
Receivable from insurance compensation	-	-	179.78	1.93	-	-
Inventories-net	43.11	0.45	42.03	0.45	42.48	0.47
Total current assets	210.63	2.18	393.16	4.23	228.15	2.53
Non-current assets						
Restricted deposit with financial institution	4.00	0.04	4.00	0.04	4.00	0.05
Investment properties -net	60.16	0.62	63.89	0.69	67.66	0.75
Property, plant and equipment	9,193.56	95.01	8,656.10	93.08	8,519.73	94.36
Intangible assets -net	5.12	0.05	3.33	0.04	4.12	0.05
Deferred tax assets	2.35	0.02	2.10	0.02	17.45	0.19
Prepaid rental	165.87	1.71	156.78	1.69	151.29	1.68
Deposit for purchase of assets	20.19	0.21	7.32	0.08	24.00	0.27
Other non-current assets	14.36	0.15	13.16	0.14	12.75	0.14
Total non-current assets	9,465.61	97.82	8,906.68	95.77	8,801.00	97.47
Total assets	9,676.24	100.00	9,299.84	100.00	9,029.15	100.00

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018 , 2017 AND 2016

(Unit : Million Baht)

Item	2018		2017		2016	
	Amount	%	Amount	%	Amount	%
LIABILITIES AND SHAREHOLDER'S EQUITY						
Current liabilities						
Bank overdrafts and short-term loans						
from financial institutions	124.45	1.29	241.58	2.60	172.13	1.91
Trade payables	29.26	0.30	30.49	0.33	23.00	0.25
Other current payables	97.12	1.00	92.12	0.99	89.09	0.99
Current portion of long-term loan from institution	212.92	2.20	189.66	2.04	193.33	2.14
Current portion of liabilities under financial-						
-lease agreement	1.45	0.01	1.35	0.01	1.30	0.01
Current portion of deferred income	7.68	0.08	7.68	0.08	8.28	0.09
Assets payable	51.73	0.53	22.79	0.25	27.92	0.31
Accrued income tax	0.33	0.00	0.19	0.00	-	
Total current liabilities	524.94	5.43	585.86	6.30	515.05	5.70
Non-current liabilities						
Long-term loan from financial institutions - net	2,138.66	22.10	1,605.69	17.27	1,667.88	18.47
Liabilities under financial lease agreements - net	1.39	0.01	2.84	0.03	4.18	0.05
Deferred tax liabilities	1,145.47	11.84	1,155.32	12.42	1,122.60	12.43
Employee benefit obligation	82.36	0.85	74.75	0.80	68.86	0.76
Guarantee for rental	165.16	1.71	164.30	1.77	181.60	2.01
Deferred revenue – leasehold rights on leased area	17.91	0.19	24.54	0.26	34.30	0.38
Other non-current liabilities	5.00	0.05	4.67	0.05	4.68	0.05
Total non-current liabilities	3,555.95	36.75	3,032.11	32.60	3,084.10	34.16
Total liabilities	4,080.89	42.17	3,617.97	38.90	3,599.15	39.86

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018 , 2017 AND 2016

(Unit : Million Baht)

Item	2018		2017		2016	
	Amount	%	Amount	%	Amount	%
Shareholders' equity						
Share capital						
Authorized share capital						
Common shares Baht 1 par value 500,000,000 shares	<u>500.00</u>		<u>500.00</u>		<u>500.00</u>	
Issued and fully paid - up						
Common shares Baht 1 par value 320,000,000 shares	320.00	3.31	320.00	3.44	320.00	3.54
Capital surplus						
Premium on share - sale of parent's common share held						
By subsidiaries	112.74	1.17	112.74	1.21	112.74	1.25
Surplus on change of proportion interest in subsidiary	36.40	0.38	37.09	0.40	37.54	0.42
Retained earnings						
Legal reserve	44.67	0.46	41.31	0.44	38.49	0.43
Unappropriated	575.02	5.94	580.74	6.24	390.09	4.32
Other components of equity	4,338.86	44.84	4,409.47	47.41	4,385.53	48.57
Total equity of the parent company	5,427.69	56.09	5,501.35	59.16	5,284.39	58.53
Non-controlling interests	167.66	1.73	180.52	1.94	145.61	1.61
Total shareholders' equity	5,595.35	57.83	5,681.87	60.10	5,430.00	60.14
Total liabilities and shareholders' equity	9,676.24	100.00	9,299.84	100.00	9,029.15	100.00

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018, 2017 AND 2016

(Unit : Million Baht)

Item	2018		2017		2016	
	Amount	%	Amount	%	Amount	%
REVENUES						
Income from hotel business	740.3	55.41	710.15	53.78	661.37	51.60
Rental and services income	595.77	44.59	610.26	46.22	620.33	48.40
Total revenues	1,336.07	100.00	1,320.41	100.00	1,281.70	100.00
COST OF SALES AND SERVICES						
Cost of hotel business	472.67	35.38	453.29	34.33	466.34	36.38
Cost of rental and services	496.59	37.17	470.19	35.61	455.84	35.57
Total cost of sales and services	969.26	72.55	923.48	69.94	922.18	71.95
GROSS PROFIT	366.81	27.45	396.93	30.06	359.52	28.05
Other income	85.27	6.38	260.37	19.72	82.74	6.46
Profit before expenses	452.08	33.84	657.30	49.78	442.26	34.51
Selling expenses	66.64	4.99	64.52	4.89	67.85	5.29
Administrative expenses	244.68	18.31	232.80	17.63	218.01	17.01
Loss on Goodwill impairment	4.90	0.37	-	-	-	-
Loss from fixed assets revaluation	-	-	50.75	3.84	-	-
Management benefit expenses	15.80	1.18	14.88	1.13	15.69	1.22
Directors' remuneration	4.49	0.34	3.43	0.26	3.30	0.26
Reversal of provision for doubtful (Doubtful debt)	4.07	0.30	(1.88)	(0.14)	2.56	0.20
Profit before financial cost	111.50	8.35	292.80	22.17	134.84	10.52
Financial cost	105.06	7.86	113.56	8.60	113.34	8.84
Profit before income tax	6.44	0.48	179.24	13.57	21.50	1.68
Income tax (expense) revenue	3.77	0.28	17.66	1.34	15.34	1.20
Net profit for the year	2.67	0.20	161.58	12.24	6.16	0.48

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018, 2017 AND 2016

(Unit : Million Baht)

Item	2018	2017	2016
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gain (loss)			(1.16)
Difference on exchange rate from currency translation	(4.25)	(18.32)	(1.94)
Profit from revaluation of new assets	-	-	-
Changes in revaluation surplus	-	174.41	22.78
Income tax on other comprehensive income			
Relating to items that will not be reclassified	-	(39.76)	(4.32)
Other comprehensive income (loss) for the year	(4.25)	116.33	15.36
Total comprehensive income for the year	(1.58)	277.91	21.52
Attributable to:			
Equity holders of the parent	3.06	153.45	3.53
Non-controlling interests	(0.39)	8.13	2.63
	2.67	161.58	6.16
Total comprehensive income attributable to			
Equity holders of the parent	(0.97)	263.80	19.13
Non-controlling interests	(0.61)	14.11	2.39
	(1.58)	277.91	21.52
BASIC EARNINGS PER SHARE			
Basic earnings per share (Baht)	0.01	0.48	0.11
Number of weighted average (shares)	320,000,000	320,000,000	320,000,000

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018, 2017 AND 2016

(Unit : Million Baht)

Item	2018	2017	2016
Cash flows from operating activities:			
Net profit before corporate income tax	6.44	179.24	21.50
Adjustment to reconcile net profit to cash provided by (used in) operating activities			
Non-current provisions for employee benefit	10.97	10.13	8.73
Depreciation	282.70	269.67	263.03
Amortized prepaid rental	23.55	23.55	23.55
Amortized computer software	1.47	1.34	0.78
Allowance for doubtful debt (Reversal)	4.07	(1.88)	2.56
Bod debt	-	-	0.10
Gain on compensation from insurance claim	(2.98)	(179.78)	-
Loss from fixed assets revaluation	-	50.76	-
(Gain) loss on sale of fixed assets	0.57	0.32	0.98
Loss from written off fixed assets	0.53	4.80	3.46
Corporate income tax deducted at source written off	0.28	0.29	0.45
Interest Income	-	-	-
Income on leasehold rights	(6.63)	(6.63)	(7.23)
Compensation for cancellation of leasehold rights on leased area	-	2.27	-
Loss on Goodwill impairment	4.90	-	-
Financial cost – interest expense	105.06	113.56	113.34
Profit from operations before changes in operating assets and liabilities	430.93	467.64	431.25
Operating assets (increase) decrease			
Trade and other receivables	(5.08)	7.02	(5.27)
Inventories	(1.09)	0.45	(0.04)
Other non-current assets	(1.09)	0.92	(0.60)
Operating assets (increase) decrease			
Trade payables	(1.23)	7.49	(9.88)
Other current payables	4.40	2.75	(7.47)
Guarantee for rental	0.87	(17.31)	0.97
Other non-current liabilities	0.33	(0.02)	0.12

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018, 2017 and 2016

(Unit : Million Baht)

Item	2018	2017	2016
Cash received from operating activities	428.04	468.94	409.08
Cash paid for non-current provisions for employee benefit	(3.36)	(4.24)	(2.10)
Cash paid for cancellation of leasehold rights on leased area	-	(6.00)	-
Cash received from insurance compensation receivable	182.76		
Corporate income tax refund	2.01	2.76	1.27
Corporate income tax paid	(20.76)	(16.73)	(16.04)
Net cash provided by operating activities	588.69	444.73	392.21
Cash flow from investing activities:			
Cash paid deposit for purchase of assets	(20.19)	(7.32)	(24.00)
Cash received from sale of fixed assets	1.81	0.58	0.80
Cash paid for purchase of fixed assets and intangible assets	(778.34)	(267.27)	(131.49)
Cash paid for prepaid rental	(32.63)	(29.03)	(29.03)
Assets payable decrease	(12.64)	(21.12)	(16.96)
Net cash provided by (used in) investing activities	(841.99)	(324.16)	(200.68)
Cash flow from financing activities:			
Bank overdraft and short loan from financial institution increase (decrease)	6.18	69.45	146.14
Cash paid for financial cost	(104.46)	(113.30)	(113.57)
Cash paid for dividend	(73.74)	(48.37)	(66.89)
Non-controlling interests increase (decrease)	(11.20)	22.34	0.06
Cash paid for long-term loans	(190.93)	(219.15)	(268.80)
Cash received from long-term loans	623.85	153.31	88.32
Cash paid for liabilities under financial lease agreement	(1.35)	(1.28)	(0.85)
Net cash used in financing activities	284.35	(137.00)	(215.60)
Cash and cash equivalents decrease - net	(4.95)	(16.43)	(24.07)
Difference from currency translation	(4.64)	2.94	0.05
Cash and cash equivalents at the beginning of year	66.50	79.99	104.01
Cash and cash equivalents at the ending of year	56.91	66.50	79.99

2. Financial Ratio

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

Financial Ratio (Consolidated Financial Statement)

FOR THE YEAR ENDED DECEMBER 31, 2018, 2017 and 2016

Item		2018	2017	2016
<u>Liquidity Ratio</u>				
Current Ratio	(time)	0.40	0.67	0.44
Quick Ratio	(time)	0.32	0.29	0.36
Cash Flow Ratio	(time)	1.06	0.81	0.84
Account Receivable Turnover	(time)	9.88	9.97	9.75
Average Collection Period	(day)	36.44	36.11	36.92
Inventory Turnover	(time)	18.72	18.37	18.58
Average Inventory Period	(day)	19.23	19.60	19.38
Account Payable Turnover	(time)	32.44	34.53	33.01
Average Payment Period	(day)	11.10	10.43	10.91
Cash Cycle	(day)	44.57	45.28	45.39
<u>Profitability Ratio</u>				
Gross Profit Margin	(%)	27.45	30.06	28.05
Operating Profit Margin	(%)	0.79	13.43	1.88
Cash ratio to Profitability	(%)	5601.78	250.75	1630.48
Net Profit Margin	(%)	0.22	9.71	0.26
Return on Equity	(%)	0.05	2.76	0.06
<u>Efficiency Ratio</u>				
Return on Asset	(%)	0.03	1.67	0.04
Return on Fixed Asset	(%)	3.18	4.89	3.09
Total Asset Turnover	(time)	0.15	0.17	0.15
<u>Financial Policy Ratio</u>				
Debt /Equity Ratio	(time)	0.73	0.64	0.66
Interest Coverage Ratio	(time)	6.64	5.07	4.60
Commitment Ability Payment Ratio (cash basis)	(time)	0.99	0.96	0.94
Dividend Payout Ratio (Based on the net profit of the company financial statements)	(%)	61.9	102.78	59.86
<u>Growth Ratio</u>				
Total Assets	(%)	4.05	3.00	-0.93
Total Liabilities	(%)	12.79	0.52	-1.08
Net Profit	(%)	(98.00)	4525.94	-98.79

14. Analysis and explanations by the management

1. Overall picture of the business operations

In the year 2018, the company and subsidiaries had total revenue of 1,336.07 million baht (in the year 2017 had total revenue of 1,320.41 million baht), an increased of 15.66 million baht or 1.2% from the previous year due to expansion in Thailand tourism industry and popular with tourist in 2018.

Overall picture of Revenue and gross profit from operating result in 2018

	Revenue				Cost				Gross Profit			
	2018	2017	Increase (decrease)	%	2018	2017	Increase (decrease)	%	2018		2017	
Hotel Revenue												
Room	480.35	439.01	41.34	9.4	254.93	234.74	20.19	8.6	225.42	46.9%	204.27	46.53%
F&B	259.95	271.14	(11.19)	-4.1	217.74	218.55	(0.81)	-0.4	42.21	16.2%	52.59	19.4%
	740.30	710.15	30.15	4.25	472.67	453.29	19.38	4.28	267.63	36.2%	256.86	36.17%
Rent & Service Revenue												
Domestic	571.32	586.00	(14.68)	-2.5	484.99	460.41	24.58	5.3	86.33	15.1%	125.59	21.43%
Overseas	24.45	24.26	0.19	0.8	11.60	9.78	18.6	9.3	12.83	52.6%	14.48	59.69%
	595.77	610.26	(14.49)	-2.37	496.59	470.19	26.40	5.61	99.18	16.6%	140.07	22.95%
TOTAL	1,336.07	1,320.41	15.66	1.19	969.26	923.48	45.78	4.96	366.81	27.5%	396.93	30.06%

The company and subsidiaries had revenue from hotel business of 740.30 million baht, increased of 30.15 million baht or 4.25% from last year and revenue from rental and service of 595.77 million baht, in the year 2017 had revenue of 610.26 million baht, decreased from last year 14.49 million baht or 2.37%. The company and its subsidiaries had total gross profit of 366.81 million baht, decreased from the previous year by 30.12 million baht or 7.59% lower, and had net profit (the net worth of the parent company) amount to 3.06 million baht, in the year 2017 had net profit 153.45 million baht, decreased from last year 150.39 million baht due to in 2017, the subsidiary has special item to receive insurance compensation from the flooding amount of 181 million baht.

In the part of leasing space operated by Zeer Property PCL which is its subsidiary, had total revenue of 595.77 million baht in the year 2018, a decrease of 14.49 million baht or 2.37% from last year, caused by Zeer Rangsit shopping center has closed some rental area and has improved the front area, therefore resulting in lower rental income.

2. Operation results and profitability

In an analysis of the operation results for 2018 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 2018 in the amount of 740.3 million baht, an increase from the previous year by 30.15 million baht or 4.2% higher. The revenue from the hotel business consisted of income from rooms and serviced apartments and income from the cost of food and beverages as follows:

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2018	2017	2018	2017	2018	2017
Revenue						
Revenue from hotel business	480.35	439.01	259.95	271.14	740.30	710.15
Proportion of room : F&B	64.9%	61.8%	35.1%	38.2%	100.0%	100.0%
Cost of sale						
Cost ratio (Cost of Sale/ Revenue)	254.93	234.74	217.74	218.55	472.67	453.29
	53.1%	53.5%	83.8%	80.6%	63.8%	63.8%
Gross Profit						
GP margin (Gross profit/Revenue)	225.42	204.27	42.21	52.59	267.63	256.86
	46.9%	46.5%	16.2%	19.4%	36.2%	36.2%

A) Income from the rooms

The company and its subsidiaries operated 7 hotels consisted of 1) Asia Hotel, which situated in Ratcha Thewi district, Bangkok, 2) Asia Pattaya Hotel at Pattaya city, 3) Asia Airport Hotel in Rangsit, Pathum Thani province, 4) Asia Hotel Cha-um, at Cha-um Beach, Phetchaburi province, 5) Ratchapruerk Lanna Boutique at Nongkwai Sub-district, Hang Dong District, Chiang Mai, 6) Darley Hotel Chiang Mai at Chang Moi, Amphoe Mueang, Chiang Mai and 7) Quality Inn Long Beach Airport, located 3201 E. Pacific High Way, Signal Hill, California, U.S.A..

The company and its subsidiaries had revenue from rooms in the year 2018 totaled 480.35 million baht (domestic room revenue 471.05 million baht and abroad room revenue 9.30 million), increased from the previous year by 41.34 million baht, or 9.4% higher. It was resulted from all the hotels had increased occupancy rate with the average rate of the seven hotels in 2018 equaled to 65.21% while the previous year had the average rate of occupancy equaled to 62.55%. The hotel with the highest occupancy in 2018 is Asia Bangkok Hotel with average occupancy rate was 81.55%, an increase of 8.15% over the previous year (average occupancy rate was 73.40% in 2017) which shows that Asia Hotel Bangkok is also a popular hotel.

The average room rate of the hotel business group in the year 2018 is 1,285.00 baht, in 2017 equal to 1,270.00 baht. The details of each hotel are as follows:

The average occupancy and the average room rate of hotel business

Average Occupancy (%)	2018	2017	Increased/(decreased)
Asia Hotel Bangkok	81.55%	73.40%	8.15%
Asia Pattaya Hotel	54.69%	62.49%	-7.80%
Asia Airport Hotel	64.73%	55.29%	9.44%
Asia Cha-um Hotel	46.39%	46.36%	0.03%
Ratchapruerk Lanna Boutique	25.71%	0.00%	25.71%
Darley Hotel Chiangmai	8.92%	0.00%	8.92%
Quality Inn Long Beach Airport			

Average Room Rate (Baht)	2018	2017	Increased/(decreased)
Asia Hotel Bangkok	1,509.00	1,510.00	(1.0)
Asia Pattaya Hotel	1,170.00	1,160.00	64.00
Asia Airport Hotel	1,042.00	1,107.00	(65.00)
Asia Cha-um Hotel	905.00	899.00	6.00
Ratchapruerk Lanna Boutique	982.00	-	
Darley Hotel Chiangmai	1,277.65	-	
Quality Inn Long Beach Airport	3,552.00	-	

Average Occupancy Rate (%)	2018	2017	Increased/(decreased)
	65.21%	62.55%	2.66%

Average Room Rate (Baht)	2018	2017	Increased/(decreased)
	1,285.00	1,270.00	15.00

In the year 2018, expanding the business further and has opened service at Ratchapruerk Lanna Bua next to Chiang Mai, Darley Hotel Chiang Mai and Quality Inn Long Beach Airport, California.

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 2018 it had the revenue from the serviced apartments was 4.52 million, or about 4.9% 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 2018 amounted to 259.95 million baht, decreased from the previous year in the amount of 11.19 million baht, or 4.1% lower. They had the ratio of income from the room compare to food and beverage in 2018 was 64.9:35.1 and the ratio of income from the room compare to food and beverage in 2017 was 61.8 : 38.2

The income from food and beverages would consist of income from the restaurants in the hotel and from the banquets. In general the income from food and beverages from the restaurants would be in relation with the income from the guest rooms. That is, if there are the more hotel guests, the more income from food and beverages to follow. In the year 2018, the income from the restaurant decreased, resulting from the response from customers are changing their behavior through online booking and they booked room only. As a result, the increase in room revenue and food and beverage income is not as significant as in the past.

Income from rent and services

Income from rent and services came from the income from leasing space of Zeer Property and the subsidiaries in three areas. They are at Zeer Rangsit Shopping Center. The company has opened the apartment business "AA Town" at the end of 2014, 130 rooms and has opened a wholesale and retail shopping center as a building. The 3-storey shopping center in the middle of year 2015 "The Hub Shopping Center".

In 2016, Zeer Property PCL had collaborated with the original business owner and established new company named SPA HOTEL CO., LTD. (SPA) and holds 92% of SPA registered capital. SPA had invested in land and structures located at Chang Moi, Amphoe Mueang, Chiang Mai, project "Laan Sook Plaza and Darley Hotel Chiang Mai" with 140 million Baht which is under the evaluation price (237 million Baht). The location potential is closed to Warorot Market, the development aims to attract both Thai and international visitors who spend their vacation time in Chiang Mai, Thailand. SPA did renovation this area to the Darley Hotel Chiang Mai which launched since October 2018.

In April 2018, the subsidiary, Zeer Asset Co., Ltd. entered into a purchase and sale of land and construction agreement with other party. The property is located at Nongkwai Sub-district, Hang Dong District, Chiang Mai (Ratchapruek Lanna Boutique formerly named: Prat Rajapruek Resort & Spa), at a total price of Baht 85.13 million. The subsidiary has paid the transferred ownership of land and building on April 30, 2018 and Ratchapruek Lanna Boutique was opened in May 2018.

On November 1, 2018, the subsidiary, ZEER OVERSEA LLC. invested in a hotel business and acquired land and buildings (Quality Inn Long Beach Airport) from the third party, located 3201 E. Pacific High Way, Signal Hill, California, U.S.A. The subsidiary has paid for the purchase in amount of USD 14.44 million.

The rental business of the company had lower revenue in 2018. The company and its subsidiaries had income from rent and service amounted to 595.77 million baht, decreased from the previous year by 14.49 million baht, or 2.37% lower.

Other Income

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

Details on other incomes	2018		2017		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Health club and car parking	4.95	5.81	5.21	2.00	(0.26)	- 5.0
Rental, Service and Electricity	54.87	64.35	53.75	20.65	1.12	2.1
Gain on Exchange rate	0.76	0.89	0.74	0.28	0.02	2.7
Gain from sale of assets	0.10	0.12	0.18	0.07	(0.08)	-44.4
Income on insurance compensation	4.48	5.25	180.96	69.50	(176.48)	100.0
Others	20.11	23.58	19.53	7.50	0.58	3.0
Total Other Income	85.27	100.00	260.37	100.00	(175.10)	-67.3

In 2018 the company and its subsidiaries had other incomes totaling 85.27 million baht, decreased from the previous year amount 175.10 million baht or 67.3% lower due to the severe flood crisis in Thailand in 2011, the subsidiary, Zeer Property Plc., that has been affected from the damaged assets. The subsidiary has insurance coverage for loss or damage from flood. The subsidiary has received partial compensation and has filed civil lawsuits against two insurance companies to claim for the compensation

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

On December 6, 2017, the Civil Court read the Supreme Court Order. The Supreme Court, according to its Order dated July 4, 2017, dismissed the defendant's petition. Therefore, the two insurance companies must comply with the judgment of the Court of Appeals. As a result of the litigation, the subsidiary recorded gain on compensation from insurance claim in the amount of Baht 124.99 million and interest from compensation on an insurance claim of Baht 54.79 million as other income in the consolidated statement of profit or loss for the year ended December 31, 2017 and recorded interest income from compensation on an insurance claims of Baht 2.98 million in the consolidated statement of profit or loss for the year ended December 31, 2018. The subsidiary has received in full amount of insurance compensation on April 10, 2018.

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 the year 2018, the Company and its subsidiaries had a total cost of sales and services of 969.26 million baht, an increase of 45.78 million baht from the previous year or 4.96% higher, which was a result of the revenue from the Company and subsidiaries has increased of 1.2% of total revenue. Cost of sales has increased from the wage and salary rate, depreciation and maintenance costs with a rate of increased cost equal to 4.96%, resulting in the gross profit margin in 2018 equal to 27.5% and 2017 is 30.1%.

Cost of sale and service	Room		Food & beverages		Rent and service		Total Hotel Business	
	2018	2017	2018	2017	2018	2017	2018	2017
(Unit: Million baht)								
Cost of sale	254.93	234.74	217.74	218.55	496.59	470.19	969.26	923.48
Cost Ratio	53.1%	53.5%	83.8%	80.6%	83.4%	77.0%	72.5%	69.9%
Gross Profit	225.42	204.27	42.21	52.59	99.18	140.07	366.81	396.93
GP Margin	46.9%	46.5%	16.2%	19.4%	16.6%	23.0%	27.5%	30.1%

In 2018 and 2017 the company and its subsidiaries has the cost ratio equaled 72.5% and 69.9% respectively. The company and its subsidiaries has gross profit margin in 2018 and 2017 equaled 27.5% and 30.1% respectively. The cost of sale and service can be classified as following:

a) Cost of room sale

In 2018, the Company and its subsidiaries had cost of room sale of 254.93 million baht, an increase of 20.19 million baht from the previous year or 8.6% higher, while room revenues in 2018 increased by 9.4% from the previous year, therefore, the company has gross profit margin for room revenue closed to the previous year. The cost of sales ratio for the year 2018 and 2017 is 53.1% and 53.5% respectively and the gross margin (GP Margin) for the year 2018 and 2017 is 46.9% and 46.5% respectively, closed to the previous year. The company still maintains the gross profit margin at a good level.

Cost of food sale and beverages

In 2018 the company and its subsidiaries had the cost of food and beverage sale of 217.74 million baht, in the year 2017 had the cost of food and beverage sale of 218.55 million baht decreased by 0.81 million baht, or 0.4% lower from the previous year. There were the ratio of the cost of food and beverage sale for 2018 and 2017 equaled to 83.8% and 80.6% and the gross profit margin for 2018 and 2017 equaled to 16.2% and 19.4% respectively. The cost ratio of food and beverage sale in 2018 was increased from the previous year.

b) Cost of rental and service

In 2018 the company and its subsidiaries had the cost of rent and service at 496.59 million baht, an increased by 26.40 million baht, or 5.6% higher from the previous year due to depreciation cost and renovation cost was higher from in the rental area. While income from rent and service in 2018 was lower by 14.49 million baht or to 2.4% so the gross profit margin for rental and service income was lower. The Cost ratio for 2018 and 2017 equaled to 83.4% and 77%, and the gross profit margin for 2018 and 2017 equaled to 16.6% and 23% respectively.

Expenses on the sale, administration and others

In 2018 the company and its subsidiaries incurred the expense on sale and service and other expenses totaled 340.58 million baht, decreased from the last year by 23.92 million baht, or 6.56% lower, which resulted from expenses on sale increased by 2.12 million baht, the administrative expense from the operations increased by 11.88 million baht, Loss on Goodwill impairment amounted to 4.9 million baht. Due to the subsidiary, Zeer Asset Co., Ltd. entered into a purchase and sale of land and construction agreement with another party. The property is Ratchapruek Lanna Boutique at a total price of 85.13 million baht. The subsidiary has paid the transferred ownership of land and building on April 30, 2018. Land and buildings have a fair value of Baht 80.23 million based on the market method and depreciated replacement cost approach method which was appraised by an independent appraiser according to the report date on May 24, 2018. However, the value calculated based on an income approach method has low amount. The subsidiary, therefore, recorded impairment loss of goodwill of Baht 4.90 million.

Expenses on the sale, administration and others (Unit: Million)	2018	2017	Increase (decrease)	
			Amount	%
Selling expense	66.64	64.52	2.12	3.29
Administrative expense	244.68	232.80	11.88	5.10
Loss of goodwill impairment	4.90	-	4.90	100.00
Loss from fixed assets revaluation	-	50.75	(50.75)	-100.00
Management benefit expense	15.80	14.88	0.92	6.18
Directors' remuneration	4.49	3.43	1.06	30.90
Reversal of provision for doubtful debt	4.07	(1.88)	5.95	316.49
Total Other Expense	340.58	364.50	(23.92)	-6.56

Profit before the financial cost and the income tax

In 2018, the company and its subsidiaries had the earnings before interest and taxes (EBIT) of 111.50 million baht, decreased from the previous year by 181.30 million baht, or 61.92% lower due to the subsidiary received the flood crisis compensation from insurance by 181 million baht.

In 2018 the company and its subsidiaries had the financial cost amounted to 105.06 million baht, decreased from the previous year by 8.50 million baht, or down by 7.49%.

Earnings before Income Tax and Income Tax Expense

In 2018 the company and its subsidiaries had the earning before income tax totaled 6.44 million baht, decreased from the previous year of 172.80 million baht and the company incurred a tax expense in 2018 totaled 3.77 million baht, decreased from the previous year by 13.89 million, or 78.65% lower.

Net Profit

Ratio of profitability

		<u>2018</u>	<u>2017</u>	<u>2016</u>
Net profit margin	percentage	0.22	9.71	0.26
Return on equity (ROE)	percentage	0.05	2.76	0.06
Return on assets (ROA)	percentage	0.03	1.67	0.04

In 2018 the company and its subsidiaries had a net profit (net worth of the parent company) totaled 3.06 million baht, decreased from the previous year by 150.39 million baht and earning per share equaled to 0.01 baht (in 2017 earning per share equaled to 0.48 baht). The company had the net profit margin equaled to 0.22%, which lower from the previous years (2017 and 2016 had the net profit margin equaled to 9.71% and 0.26% respectively). It shows the return on equity (ROE) in 2018 equaled to 0.05% and the return on assets (ROA) equaled to 0.03%.

3. Capability of Asset Management

The change in assets, liabilities, and shareholders' equity in 31 December 2018 compared to 31 December 2017

	31/12/2018	31/12/2017	Increased	Portion
Total Assets	9,676.24	9,299.84	376.40	4.05%
Total Liabilities	4,080.89	3,617.97	462.92	12.80%
Total shareholders' equity	5,595.35	5,681.87	(86.52)	-1.52%

Structure of the assets

As of 31 December 2018 the company and its subsidiaries had the consolidated assets amounted to 9,676.24 million baht, increased over the previous year by 376.40 million baht, or 4.05% 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 210.63 million baht, decreased from last year by 182.53 million baht, or 46.43% lower. Since the company had cash and cash equivalents decreased from the last year by 9.6 million baht, consisted of cash at bank decreased by 8.25 million baht, cash on hand increased by 0.49 million baht and non-clearing cheques decreased by 1.84 million baht.

The company and its subsidiaries had non-current assets totaled 9,465.61 million baht, increased over the previous year by 558.93 million baht, or 6.28% higher due to property, plant and equipment was increased by 537.46 million baht, intangible assets was increased by 1.79 million baht, the prepaid rental was increased by 9.09 million baht, deposit for purchase of assets was increased by 12.87 million baht, other non-current assets was increased by 1.20 million baht and investment properties was decreased by 3.73 million baht.

The structure of the assets of the company and its subsidiaries on 31 December 2018 compared with 2017 can be summarized as follows:

List of Assets	2018		2017		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Current assets						
Cash and the equivalent	56.90	0.59	66.50	0.72	(9.60)	-14.44
Current investment	0.72	0.01	0.68	0.01	0.04	5.88
Trade and other receivables	109.90	1.14	104.17	1.12	5.73	5.50
Receivable from insurance compensate	-	0.00	179.78	1.93	-179.78	100.00
Inventory	43.11	0.45	42.03	0.45	1.08	2.57
Total Current assets	393.16	2.18	393.16	4.23	(182.53)	-46.43
Non-current assets						
Restricted deposits with financial institution	4.00	0.04	4.00	0.04	0	0.00
Investment Properties	60.16	0.62	63.89	0.69	-3.73	-5.84
Land, building and equipment	9,193.56	93.08	8,656.10	93.08	537.46	6.21
Intangible asset	5.12	0.04	3.33	0.04	1.79	53.75
Deferred tax assets	2.35	0.02	2.10	0.02	0.25	11.90
Prepaid rent	165.87	1.71	156.78	1.69	9.09	5.80
Deposit for purchase of asset	20.19	0.21	7.32	0.08	12.87	175.82
Other non-current assets	14.36	0.15	13.16	0.14	1.2	9.12
Total non-current assets	9,465.61	97.82	8,906.68	95.77	558.93	6.28
Total assets	9,676.24	100.00	9,299.84	100.00	376.40	4.05

In the above table can be seen that the company and its subsidiaries had the structure of the non current assets was increased from the previous year, there were current assets of about 2.18% and the non-current asset of about 97.82%. The company had the return of assets in 2018 equaled 0.03% and in 2017 equaled 1.67%.

A) Inventory

As of 31 December 2018 the company and its subsidiaries had net inventory of 43.11 million baht, increased from the previous year by 1.08 million. It consisted of inventory of the restaurant business amounted to 8.83 million baht and the inventory of the hotel business of 34.42 million baht. The company and its subsidiaries had the current inventory ratio in 2018 equaled to 19 times and the duration of average goods sold equaled to 20 days, which was equaled to year 2017. The company and its subsidiaries had the policy to set allowance for declining product value for quality deteriorated products, damaged and outdated with the allowance for diminution in value of goods at the end of year 2018 amounting to 0.135 million baht, the same amount as the previous year.

B) Land, Building and Equipment

As of 31 December 2018 the company and its subsidiaries had the net book value of the land, buildings and equipment valued at 9,193.56 million baht, up from the previous year by 537.46 million baht, or 6.21% higher. The company and its subsidiaries had the rate of asset turning in 2018 equaled to 0.15 times, in year 2017 equaled to 0.17 times. The increase or decrease of land, buildings and equipment in 2018 and depreciation charge of the asset value can be summarized according to the table below:

Land, Building and Equipment (Unit: Million Baht)	31 Dec.2017		Increased Purchase Sale/Transfer		31 Dec.2018	
	Historical cost	Revaluation surplus	Increase	Decrease	Historical cost	Revaluation surplus
Cost/increased price						
Land and cost of land improvement	512.98	2,897.10	207.14	0.62	719.97	2,893.64
Building and its improvement	4,242.89	3,583.88	524.56	2.94	4,764.51	3,583.88
Work under construction	73.81		114.13	108.16	79.79	
Equipment, vehicle and others	1,992.64		81.80	25.93	2,048.51	
Total cost and appreciated price	6,822.32	6,480.98	927.63	137.65	7,612.78	6,480.52
	13,303.31				14,093.30	
Accrued depreciation cost						
Land improvement	1.54				1.54	
Building/improvement-Historical cost	2,145.48		79.74	2.01	2,223.21	
Building/improvement-Revaluation surplus		899.67	87.16	-		986.83
Equipment, vehicle and other	1,600.52		112.01	24.37	1,688.16	
Total accrued depreciation	3,747.54	899.67	278.91	26.38	3,912.91	986.83
	4,647.21				4,899.74	
Net accounting value						
Land and cost of improvement	511.44	2,897.10			718.43	2,896.64
Building and its improvement	2,097.41	2,684.21			2,541.30	2,597.05
Work under construction	73.82				79.79	
Equipment, vehicle and others	392.12				360.35	
Total net accounting value	3,074.79	5,581.31			3,699.87	5,493.69
	8,656.10				9,193.56	

The company has land, building, and equipment for 9,193.56 million baht in 2018 which is 537.46 million baht more than the previous year as follow:

- Land and cost of improvement – the historical cost is 718.42 million baht, increased from the previous year by 206.98 million baht or 40.47% higher.
- Land and cost of improvement – the revaluation surplus is 2,896.64 million baht, decreased from the previous year by 0.46 million baht or 0.02% lower.
- Building and its improvement – the historical cost is 2,541.30 million baht, decreased from the previous year by 443.89 million baht or 21.16% lower.
- Building and its improvement – the revaluation surplus is 2,597.05 million baht, decreased from the previous year by 87.16 million baht or 3.25% lower.
- Work under construction – 79.79 million baht, increased from the previous year by 5.97 million baht or 8.09% higher.
- Equipment, vehicle and others – 360.35 million baht, decreased from the previous year by 31.77 million baht or 8.10% lower.

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

Ratchapruerk Lanna Boutique

In April 2018, the subsidiary, Zeer Asset Co., Ltd. entered into a purchase and sale of land and construction agreement with other party. The property is located at Nongkwai Sub-district, Hang Dong District, Chiang Mai (Ratchapruerk Lanna Boutique formerly named: Prat Rajapruerk Resort & Spa), at a total price of Baht 85.13 million. The subsidiary has paid the transferred ownership of land and building on April 30, 2018. Land and buildings have a fair value of Baht 80.23 million based on the market method and depreciated replacement cost approach method which was appraised by an independent appraiser according to the report date on May 24, 2018. However, the value calculated based on an income approach method is lower than Baht 80.23 million. The subsidiary, therefore, recorded impairment loss of goodwill of Baht 4.90 million in the statement of profit or loss for the year ended December 31, 2018, are as follows:

The identifiable assets and liabilities acquired.

	Unit : Thousand Baht
Land (fair value)	22,437
Building and buiding improvement (fair value)	57,787
Total assets	80,224
Net assets	80,224
Total purchase consideration - cash	85,128
Goodwill	4,904

Quality Inn Long Beach Airport

On November 1, 2018, the subsidiary, ZEER OVERSEA LLC. invested in a hotel business and acquired land and buildings (Quality Inn Long Beach Airport) from the third party. The subsidiary has paid for the purchase in amount of USD 14.44 million.

As at December 31, 2018, the subsidiary is still assessing fair value of the net assets acquired by an independent valuer. The Management has estimated the fair value of the identifiable assets acquired and liabilities assumed from the business combination for accounting record. The fair value is being measured within the period not over 1 year from the business acquisition date in accordance with Thai Financial Reporting Standard No.3 (revised 2017) Business Combinations. During the value measurement period if new information about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognize any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

The identifiable assets and liabilities acquired.

	Unit : Thousand Baht
Land	185,500
Building and buiding improvement	262,794
Furniture and fixtures	20,281
Total assets	468,575
Net assets	468,575
Total purchase consideration - cash	468,575
Goodwill	-

C) Trade debtors and other debtors

As of 31 December 2018 the company and its subsidiaries had trade debtors and other debtors amounted to 109.90 million baht, increased from the previous year by 5.73 million baht. It consisted of trade debtors – net increased by 0.1 million baht and other debtors increased by 5.63 million baht.

Details on trade debtors and other debtors	2018		2017		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Trade debtors – net						
Trade debtor – hotel business	24.46	30.40	26.28	32.71	(1.82)	-6.93
Trade debtor- rental shopping business	<u>55.99</u>	<u>69.60</u>	<u>54.07</u>	<u>67.29</u>	<u>1.92</u>	3.55
	<u>80.45</u>	<u>100.00</u>	<u>80.35</u>	<u>100.00</u>	<u>0.10</u>	0.12
Other debtors						
Construction prepayment	-		-		-	-
Advance payment and other debtor	<u>29.45</u>		<u>23.82</u>		<u>5.63</u>	23.64
	<u>29.45</u>		<u>23.82</u>		<u>5.63</u>	23.64
Total trade debtors and others	104.17		104.17		5.73	5.50

In 2018 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 (ASIA) 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 2018	ASIA, AP, AA Hotels		ZP Shopping Center		Total
	Million Baht	%	Million Baht	%	Million Baht
Before the due debt	15.26	55.88	10.21	14.96	
Debt owed 1-30 days	7.17	26.25	20.31	29.78	
Debt owed 31-60 days	1.10	4.03	10.22	14.99	
Debt owed 61-90 days	0.47	1.72	3.51	5.15	
Debt owed 91-365 days	0.38	1.39	4.53	6.64	
Debt owed more than 1 year	<u>2.93</u>	<u>10.73</u>	<u>19.42</u>	<u>28.48</u>	
	27.31	100.00	68.20	100.00	95.51
<u>Deduct</u> – Allowance for bad debts	<u>2.85</u>		<u>17.15</u>		<u>20.00</u>
Trade debtor – net	24.46		51.05		75.51
Prepaid check	-		4.94		4.94
Total trade debtor – net	24.46		55.99		80.45

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 2018 the company and its subsidiaries set up the net doubtful debts increased by 2.74 million baht from at the end of 2017 to 26.87 million baht. So the company had doubtful debts at the end of 2018 to 29.61 million baht, the company believed the doubtful debts set up would be suitable and sufficient.

Commitments in Liabilities

The consolidated liabilities of the company and its subsidiaries as of 31 December 2018 had 4,080.89 million baht compared with the total consolidated liabilities on 31 December 2017 valued at 3,617.97 million baht. The liabilities were increased by 462.92 million baht, as a result from the company and its subsidiaries has the commitment to repay the loan to financial institutions and the subsidiary company made long term loan agreement for renovate and decoration as at 31 December 2018 the company and subsidiaries may have liabilities as follow:

- Letters of guarantee issued by banks Letters of guarantee issued by banks total equals 27.16 million baht.
- The Company guarantees liabilities of its two subsidiaries in the amount of 1,609.50 million baht.
- The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of 2,377 million baht.
- The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of 2,745 million baht.
- The subsidiary- ZEER OVERSEA LLC guaranteed liabilities of the subsidiary in the amount of 960 million baht.
- The subsidiary– Zeer Property Plc. has credit line for foreign exchange of Baht 480 million from a bank which has not been withdrawn yet.
- The subsidiary - Zeer Property Plc. has obligation to pay for construction project in the future as at December 31, 2018 in the amount of Baht 43.24 million.
- The subsidiary– Spa Hotel Co., Ltd. has obligation to pay for construction project of hotel and shopping complex at Chiang Mai in the future as at December 31, 2018 in the amount of 46.67 million baht.
- The subsidiary– Zeer Property Plc. has commitment to repay land rental fee under contract with Don Mung Grand Plaza Co., Ltd

4. Liquidity and Sufficiency of the Capital of the Company

Ratio of liquidity

		<u>2018</u>	<u>2017</u>	<u>2016</u>
Liquidity ratio	(time)	0.40	0.67	0.44
Ratio of quick ratio	(time)	0.32	0.29	0.36

As of 31 December 2018, the company and its subsidiaries had liquidity ratio equal 0.40 time and a ratio of quick ratio equal 0.32 time due to the cash and cash equivalents of the company was decreased by 9.60 million baht and trade receivable was increased by 5.73 million baht.

Debt Management Ratios

		<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt to equity ratio	(time)	0.73	0.64	0.66
Interest coverage ratio	(time)	6.64	5.07	4.60

In 2018 the company and its subsidiaries had total liabilities 4,080.89 million baht, 462.92 million higher from the previous year. The shareholder's equity of net worth gradually decreased from 5,681.87 million baht in 2017 to 5,595.35 million baht at the end of 2018. Thus, the debt to equity ratio was 0.64 times in 2017 and debt to equity ratio in 2018 was 0.73 times.

The interest coverage ratio in 2018 was 6.64 times compared to 5.70 times in 2017. As a result, this ratio was increased due to increasing in cash flow from operating activities in 2018.

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)

	2018	2017	2016
Net cash provided by operating activities	588.69	444.73	392.21
Net cash used in investing activities	(841.99)	(324.16)	(200.68)
Net cash used in financing activities	248.35	(137.00)	(215.60)
Cash & the equivalent increased (decreased)	(4.95)	(16.43)	(24.07)
Difference from conversion of finance	4.64	2.94	0.05
Cash and cash equivalent at the beginning of period	66.50	79.99	104.01
Cash & the equivalent at the ending of period	56.91	80.02	79.99

In 2018 the company and its subsidiaries had net cash from operating activities by 588.69 million baht increased from the last year equaled 143.96 million baht. The company paid net cash in the investment activities amounted to 841.99 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 248.35 million baht, which is paid cash the long term loan to the financial institutions.

Sources of Investment Funds

Loans from financial institutions

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

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

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

On July 1, 2018, the subsidiary, ZEER OVERSEA LLC., has entered into the long-term loan agreement with an oversea financial institution in facility of USD 3.8 million for the repayment of short-term loan, with the interest rate at LIBOR (1 month) + 2.15% per annum. The repayment of principal and its interest is made on monthly basis (60 installments). The loan repayment is started in July 2018 and will be completed within July 3, 2023.

On September 13, 2018, the subsidiary, Zeer Property Plc., entered into the long-term loan agreement with the financial institution amount of Baht 480 million for purchase of land and hotel in USA dividing into:

- The credit line of Baht 280 million, with interest of MLR - 2.125% per annum for the first three years and MLR – 1.625% per annum for the fourth - fifth years and MLR – 1.125% per annum for the sixth - tenth years. The principal is paid on quarterly basis (38 installments) starting the first installment repayments in 9th month from the date of the agreement and its interest is paid on monthly basis. The repayments must be completed within 10 years from the date of the agreement.

- The credit line of Baht 200 million with the interest rate at MLR - 2.125% per annum. The repayment must be completed within 3 years from the date of the agreement.

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

1. Factors or conditions that affect the hotel's financial status and overall operation.
 - a. External Factor
 - i. Strengths
 1. Due to stabilized and functional government, the country tourism is in steady growth.
 2. The face-paced development of technology empowers the growth in the number of Free Individual Traveler (FIT). With less booking from Tour Group Traveler, the revenue per available room (RevPAR) increases since the hotel can sell higher room rate to FIT.
 3. Government extensively supports tourism economy, issuing tax and other policies to increase people's spending in tourism.
 4. Many major government projects will have a positive impact on tourism. For example, the Eastern Economic Corridor (EEC), the Thai Riviera Project, etc.
 - ii. Weaknesses
 1. Capacity of the airport of the main tourist cities can not accommodate the expansion for tourism in all airports in all tourist cities.
 2. High competition in the hotel industry, the tourism has increased significantly. There are number of rooms in the main city, especially Bangkok and Pattaya.
 3. The shortage of staff in the tourism industry. This has led to the hiring of employees at all levels, resulting in higher labor costs.
 4. Currently, there is a lot of reliance on tourists from the Chinese market. If there are any factors that are negative for the Thai tourism industry it will affect the hotel business as well.
 - b. Internal Factor
 - i. Strengths
 1. Rapid development of rail transport in Bangkok. Located adjacent to BTS station, Asia Hotel Bangkok continued to benefit from the rail transport extension.
 2. Being a well-established brand, Asia Hotel already registered in people's mind for a quality affordable hospitality.
 3. Most of the staffs who work in Asia Hotel are well-experienced. They have been working in the hotel for more than 10 years.
 - ii. Weaknesses
 1. The image of Asia Hotel Bangkok is a 50-year old hotel. Maintenance expenses rise as the property ages.
2. Factors or conditions that affect the shopping plaza's financial status and overall operation.
 - a. External Factors
 1. High level of competition in retail industry. Zeer Property Public Company Limited diversified to invest The Hub wholesale destination. As the project, Zeer Rangsit Shopping Complex and The Hub will attract new type of customers as well as fulfill the unmet needs in the center.
 2. Realized on uncontrollable factors such as currency exchange rate fluctuations or retail customer's purchasing power, Zeer Property Public Company Limited seeked to develop in other types of property – AA Town Apartment and office spaces to diversify the risk.
 - b. Internal Factors
 1. Human resource development, digital marketing strategy, and IT management are carefully implemented to support business.

Report of the Audit Committee

At present, the company audit committee comprises of 4 members of independent directors. They are Mr. Suwat Dusitrojjanawongse, Chairman of the committee, Mr. Sombut Pupipathirunkul, Mr. Piyawudh Senapoopitaksa, and Dr. Chotima Puasiri. In this regard, the Audit Committee has been the trust and confidence in operation independently from the Board of Directors to reelect to be the Audit Committee for another term. In 2018 Audit Committee held a total of 9 meetings for auditing and taking care of the Company according to the scope of duties and responsibilities that can be summarized as follows:

- Audit Committee verified the quarterly, annually and consolidated financial statement of the company and its subsidiaries with Auditor of the Company regarding audit result and opinion of auditor and to consult regarding accounting system every quarter before proposing to board of directors of the company.
- Audit Committee 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. Satien Vongsanun or Mr. Wichai Rujitanont or Miss Patcharee Siriwongsin or Miss Atchara Suknaibaiboon the certified auditor of the ANS Audit Co., Ltd. to be an auditor of the company for the year ended as at December 31, 2018.

The Audit Committee agreed that the company has disclosed the financial reports of the company and its subsidiaries completely, clearly and reliably. There was a good and adequate internal control system for all aspects of operations with transparency, prudence, fairness in accordance with relevant laws and regulations as the expected.



Mr. Suwat Dusitrojjanawongse
Chairman of the Audit Committee
February 21, 2019

Report of the Nomination and Remuneration Committee

To Shareholders,

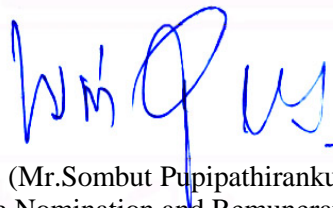
In January 2019, the Board of Directors' Meeting No. 1/2562 resolved to appoint the former Nomination and Remuneration Committee to perform the duties for another term, which consists of 3 independent directors, all of whom are not executives of the company as follows:

Name	Position	Participate in the 2018 Meeting
Mr. Sombut Pupipathirunkul	Chairman	3/3
Mr. Piyawudh Senapoopitaksa	Member	3/3
Mr. Suwat Dusitrojanawongse	Member	3/3

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.

For determining the remuneration of the Board of Directors, including the Director's bonus and the meeting allowance for the year 2019. The Nomination and Remuneration Committee considered slightly increased from the previous year, taking into account the appropriateness of the duties and responsibilities assigned, including the company's performance compared to the same industry and factors that may affect the business or the overall economy. Such remuneration has been considered and approved by the Board of Directors.

At present, the Board of Directors consists of 11 members including 3 new directors who have different expertise, be able to supervise and keep pace with the changes in the business of the new generation. The Committee hopes that this new board will be able to push the company and its subsidiaries to achieve the goals that are firmly and sustainably.

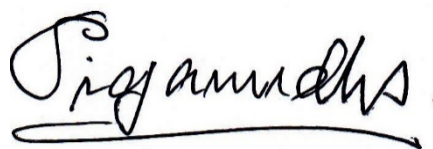


(Mr.Sombut Pupipathirunkul)
 Chairman of the Nomination and Remuneration Committee
 February 21, 2019

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 2018 in coordination with the management and the external auditor and concluded that the company's financial report has conformed in accordance with generally accepted accounting standards including use of appropriated accounting policies applied on a consistent basis. In addition, the report is supported by reasonable judgment and estimates.

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



Mr. Piyawudh Senapoopitaksa
Chairman



Mr. Surapong Techaruvichit
Managing Director

Independent Auditor's Report

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

Opinion

I have audited the consolidated and separate financial statements of Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2018, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Asia Hotel Public Company Limited and its subsidiaries, and of Asia Hotel Public Company Limited, respectively, as at December 31, 2018, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

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.

Impairment of property, plant and equipment

Risk

As at December 31, 2018, the Group has property, plant and equipment related to a hotel of a subsidiary, Asia Airport Hotel Co., Ltd., with a net book value of Baht 402.73 million. The hotel still incurs loss in the operation which is an indication of impairment of the property, plant and equipment. The provision for impairment requires significant judgment by Management.

Auditor's response

I obtained an understanding of the Company's policy to determine the allowance for impairment of property, plant and equipment. I also considered the appropriateness of the allowance for impairment of the property, plant and equipment by verifying Management's cash flow projection. Verification of the cash flow projection includes the assessment of significant assumptions made by the Management, such as the

occupancy rate, the room rate and the growth rate which is in comparison with the current and historical data, and the discount rate which is comparison with industry information as well as testing the calculations.

Emphasis of Matter

I draw attention to Note 13 to financial statements. On November 1, 2018, the subsidiary, ZEER OVERSEA LLC. invested in a hotel business and acquired the land and buildings (Quality Inn Long Beach Airport) from the third party. The subsidiary has paid for the purchase in amount of USD 14.44 million.

As at December 31, 2018, the subsidiary is still assessing fair value of the net assets acquired by an independent valuer. The Management has estimated the fair value of the identifiable assets acquired and liabilities assumed from the business combination for accounting record. The fair value is being measured within the period not over 1 year from the business acquisition date in accordance with Thai Financial Reporting Standard No.3 (revised 2017) Business Combinations. During the value measurement period if new information about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognize any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Atipong Atipong Sakul
 Certified Public Accountant
 Registration Number 3500
 ANS Audit Co., Ltd.
 Bangkok, February 21, 2019

ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Notes	Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
ASSETS					
Current assets					
Cash and cash equivalents	5	56,901,186	66,499,598	4,590,934	7,669,566
Current investments		717,684	682,194	-	-
Trade and other current receivables - net	6, 7	109,901,948	104,172,442	15,994,411	19,384,257
Receivable from insurance compensation	31	-	179,782,895	-	-
Inventories - net	8	43,114,768	42,029,063	18,456,124	18,850,233
Total current assets		210,635,586	393,166,192	39,041,469	45,904,056
Non-current assets					
Investments in subsidiary companies	9	-	-	1,140,593,700	1,140,593,700
Investments in other company - net	10	-	-	-	-
Restricted deposit with financial institution	11	4,000,000	4,000,000	-	-
Investment properties - net	12	60,160,084	63,887,502	-	-
Property, plant and equipment - net	13	9,193,559,171	8,656,100,307	2,018,194,544	2,052,774,481
Intangible assets - net	15	5,126,178	3,325,618	1,234,768	1,690,820
Deferred tax assets	16	2,345,654	2,101,986	-	-
Prepaid rental - net	7, 17	165,867,720	156,782,189	7,102,328	8,314,741
Deposit for purchase of assets		20,186,027	7,318,122	-	-
Other non-current assets					
Deposits and guarantee		1,329,764	862,034	272,629	248,157
Prepaid withholding income tax		11,274,942	9,848,841	10,441,873	9,015,372
Others		1,755,002	2,453,482	-	-
Total non-current assets		9,465,604,542	8,906,680,081	3,177,839,842	3,212,637,271
Total assets		9,676,240,128	9,299,846,273	3,216,881,311	3,258,541,327

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, 2018

Unit: Baht					
		Consolidated financial statements		Separate financial statements	
Notes	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	
LIABILITIES AND SHAREHOLDER'S EQUITY					
Current liabilities					
Bank overdrafts and short-term loans					
from financial institutions	18	124,450,389	241,581,024	22,230,121	58,840,234
Trade payables		29,261,448	30,488,556	10,480,358	11,741,690
Other current payables	19	97,115,739	92,114,433	25,942,174	26,450,297
Current portion of long-term loan from financial institutions	20	212,922,032	189,663,416	56,000,000	56,000,000
Current portion of liabilities under financial lease agreements	21	1,449,264	1,354,896	286,952	257,383
Current portion of deferred income	24	7,681,949	7,681,949	-	-
Short-term loans and accrued interest expense					
- related companies	7	-	-	303,390,612	253,565,255
Assets payable		51,731,596	22,790,062	4,112,494	757,183
Accrued income tax		331,221	190,089	-	-
Total current liabilities		524,943,638	585,864,425	422,442,711	407,612,042
Non-current liabilities					
Long-term loan from financial institutions - net	20	2,138,658,572	1,605,694,063	499,000,000	555,000,000
Liabilities under financial lease agreements - net	21	1,391,141	2,840,405	-	286,952
Deferred tax liabilities	16	1,145,471,756	1,155,321,285	310,480,576	309,359,662
Non-current provisions for employee benefit	22	82,358,355	74,753,550	38,864,195	36,145,022
Guarantee for rental	23	165,161,126	164,295,269	12,340,333	11,741,945
Deferred revenue - leasehold rights on leased area	24	17,905,143	24,537,650	-	-
Other non-current liabilities		4,998,227	4,669,861	1,372,400	1,244,196
Total non-current liabilities		3,555,944,320	3,032,112,083	862,057,504	913,777,777
Total liabilities		4,080,887,958	3,617,976,508	1,284,500,215	1,321,389,819

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, 2018

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Shareholders' equity					
Share capital					
Authorized share capital					
Common shares Baht 1 par value 500,000,000 shares					
(As at December 31, 2017: Common shares 50,000,000 shares					
	of par Baht 10.00 each)	25	500,000,000	500,000,000	500,000,000
Issued and fully paid-up					
Common shares Baht 1 par value 320,000,000 shares					
(As at December 31, 2017: Common shares 32,000,000 shares					
	of paid-up Baht 10.00 each)	25	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	2	36,401,650	37,087,074	-
Retained earnings					
Appropriated					
	Legal reserve	26	44,667,328	41,306,006	44,667,328
	Unappropriated		575,019,391	580,737,473	271,908,224
	Other components of equity		4,338,863,222	4,409,471,008	1,295,805,544
	Total equity of the parent company		5,427,694,841	5,501,344,811	1,932,381,096
	Non-controlling interests	9	167,657,329	180,524,954	-
	Total shareholders' equity		5,595,352,170	5,681,869,765	1,932,381,096
Total liabilities and shareholders' equity			9,676,240,128	9,299,846,273	3,216,881,311

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, 2018

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2018	2017	2018	2017
REVENUES	7, 29, 32				
Income from hotel business		740,299,586	710,150,955	395,156,738	384,970,192
Rental and services income		595,770,912	610,256,108	-	-
Total revenues		1,336,070,498	1,320,407,063	395,156,738	384,970,192
COST OF SALES AND SERVICES					
Cost of hotel business					
Cost of hotel business		(450,973,473)	(431,829,144)	(232,736,365)	(233,853,606)
Depreciation - Revaluation surplus of assets	13	(21,697,700)	(21,459,511)	(7,129,786)	(7,129,786)
Cost of rental and services					
Cost of rental and services		(431,128,479)	(407,122,849)	-	-
Depreciation - Revaluation surplus of assets	13	(65,458,590)	(63,063,215)	-	-
Total cost of sales and services		(969,258,242)	(923,474,719)	(239,866,151)	(240,983,392)
GROSS PROFIT		366,812,256	396,932,344	155,290,587	143,986,800
Dividend income	9	-	-	32,011,830	36,280,074
Other income	31	85,272,477	260,377,048	57,719,557	56,607,928
Profit before expenses		452,084,733	657,309,392	245,021,974	236,874,802
Selling expenses		(66,641,641)	(64,522,463)	(26,699,572)	(25,125,606)
Administrative expenses		(244,677,587)	(232,800,440)	(94,586,773)	(93,804,895)
Loss on Goodwill impairment	13	(4,904,000)	-	-	-
Loss from fixed assets revaluation		-	(50,754,430)	-	-
Management benefit expenses	35	(15,804,060)	(14,875,360)	(7,461,960)	(6,968,160)
Directors' remuneration	34	(4,486,274)	(3,428,158)	(2,613,974)	(1,915,158)
Reversal of provision for doubtful debt (Doubtful debt)		(4,065,045)	1,877,088	-	(142,572)
Financial cost		(105,062,108)	(113,563,840)	(45,312,343)	(50,214,687)
Profit before income tax		6,444,018	179,241,789	68,347,352	58,703,724
Income tax expense	16	(3,774,477)	(17,662,224)	(1,120,914)	(2,468,837)
Net profit for the year		2,669,541	161,579,565	67,226,438	56,234,887

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, 2018

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2018	2017	2018	2017
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
	Changes in revaluation surplus	14	-	174,406,449	-
	Income tax on other comprehensive income relating to items that will not be reclassified	14	-	(39,763,918)	-
<i>Items that may be reclassified subsequently to profit or loss</i>					
	Difference on exchange rate from currency translation		(4,252,116)	(18,316,255)	-
	Other comprehensive income (loss) for the year		(4,252,116)	116,326,276	-
	Total comprehensive income (loss) for the year		(1,582,575)	277,905,841	67,226,438
Attributable to:					
	Equity holders of the parent		3,063,883	153,448,915	67,226,438
	Non-controlling interests		(394,342)	8,130,650	-
			2,669,541	161,579,565	67,226,438
Total comprehensive income (loss) attributable to:					
	Equity holders of the parent		(967,696)	263,799,315	67,226,438
	Non-controlling interests	9	(614,879)	14,106,526	-
			(1,582,575)	277,905,841	67,226,438
BASIC EARNINGS PER SHARE					
	Basic earnings per share (Baht)	33	0.01	0.48	0.21
	Number of weighted average share (Shares)		320,000,000	320,000,000	320,000,000

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, 2018

Unit: Baht

Consolidated financial statements											
Equity attributable to equity holders of the Company											
Notes	Retained earnings					Other components of equity			Total		
	Paid-up share capital	Premium on share - sale of parent's common share held by subsidiaries	Surplus on change of proportion interest in subsidiary	Legal reserve	Unappropriated	Other comprehensive income		Total other components of equity	parent shareholders' equity	Non-controlling interest	Total
						Revaluation surplus of assets (Note 14)	Currency translation				
Balance as at January 1, 2017	320,000,000	112,743,250	37,539,076	38,494,262	390,086,483	4,352,353,668	33,179,833	4,385,533,501	5,284,396,572	145,607,493	5,430,004,065
Changes in equity for the year :											
Non-controlling interest increased											
from investments in subsidiary	-	-	-	-	-	-	-	-	-	22,340,100	22,340,100
Redeemed of investment in a subsidiary	-	-	(452,002)	-	-	-	-	-	(452,002)	452,002	-
Dividends	27	-	-	-	(46,399,075)	-	-	-	(46,399,075)	(1,981,167)	(48,380,242)
Legal reserve	26	-	-	2,811,744	(2,811,744)	-	-	-	-	-	-
Transferred to retained earnings	14	-	-	-	64,550,638	(64,550,638)	-	(64,550,638)	-	-	-
Adjustment of revaluation surplus of assets	-	-	-	-	21,862,256	(21,862,256)	-	(21,862,256)	-	-	-
Difference on exchange rate from currency translation	-	-	-	-	-	(3,091,552)	(14,245,351)	(17,336,903)	(17,336,903)	(979,352)	(18,316,255)
Comprehensive income for the year	-	-	-	-	153,448,915	127,687,304	-	127,687,304	281,136,219	15,085,878	296,222,097
Balance as at December 31, 2017	320,000,000	112,743,250	37,087,074	41,306,006	580,737,473	4,390,536,526	18,934,482	4,409,471,008	5,501,344,811	180,524,954	5,681,869,765
Changes in equity for the year :											
Non-controlling interest increased											
from investments in subsidiary	2	-	(685,424)	-	-	-	-	-	(685,424)	(10,514,576)	(11,200,000)
Dividends	9, 27	-	-	-	(71,996,850)	-	-	-	(71,996,850)	(1,738,170)	(73,735,020)
Legal reserve	26	-	-	3,361,322	(3,361,322)	-	-	-	-	-	-
Transferred to retained earnings	14	-	-	-	66,576,207	(66,576,207)	-	(66,576,207)	-	-	-
Difference on exchange rate from currency translation	-	-	-	-	-	(321,994)	(3,709,585)	(4,031,579)	(4,031,579)	(220,537)	(4,252,116)
Comprehensive income (loss) for the year	-	-	-	-	3,063,883	-	-	-	3,063,883	(394,342)	2,669,541
Balance as at December 31, 2018	320,000,000	112,743,250	36,401,650	44,667,328	575,019,391	4,323,638,325	15,224,897	4,338,863,222	5,427,694,841	167,657,329	5,595,352,170

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, 2018

Unit: Baht

Separate financial statements

Notes	Retained earnings			Other component of equity		Total
	Paid-up share capital	Legal reserve	Unappropriated	Other comprehensive income Revaluation surplus of assets (Note 14)	Total other component of equity	
Balance as at January 1, 2017	320,000,000	38,494,262	261,608,232	1,307,213,202	1,307,213,202	1,927,315,696
Changes in equity for the year :						
Dividends	27	-	(46,399,075)	-	-	(46,399,075)
Legal reserve	26	-	2,811,744	(2,811,744)	-	-
Transferred to retained earnings	14	-	5,703,829	(5,703,829)	(5,703,829)	-
Comprehensive income for the year		-	56,234,887	-	-	56,234,887
Balance as at December 31, 2017	320,000,000	41,306,006	274,336,129	1,301,509,373	1,301,509,373	1,937,151,508
Changes in equity for the year :						
Dividends	27	-	(71,996,850)	-	-	(71,996,850)
Legal reserve	26	-	3,361,322	(3,361,322)	-	-
Transferred to retained earnings	14	-	5,703,829	(5,703,829)	(5,703,829)	-
Comprehensive income for the year		-	67,226,438	-	-	67,226,438
Balance as at December 31, 2018	320,000,000	44,667,328	271,908,224	1,295,805,544	1,295,805,544	1,932,381,096

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, 2018

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities :				
Net profit before corporate income tax	6,444,018	179,241,789	68,347,352	58,703,724
Adjustment to reconcile net profit to cash provided by (used in) operating activities				
Non-current provisions for employee benefit	10,965,545	10,134,612	4,279,693	4,091,750
Depreciation	282,704,769	269,664,472	50,834,782	50,522,971
Amortized prepaid rental	23,548,090	23,548,090	1,212,413	1,212,413
Amortized computer software	1,473,059	1,341,387	674,378	642,509
Allowance for doubtful debt (Reversal)	4,065,045	(1,877,088)	-	142,572
Gain on compensation from insurance claim	(2,975,754)	(179,782,895)	-	-
Loss from fixed assets revaluation	-	50,754,430	-	-
(Gain) loss on sale of fixed assets	572,488	321,910	(100,956)	(17,868)
Loss from written off fixed assets	526,022	4,802,559	-	-
Corporate income tax deducted at source written off	277,049	290,194	-	-
Income on leasehold rights	(6,632,507)	(6,632,507)	-	-
Compensation for cancellation of leasehold rights on leased area	-	2,273,438	-	-
Dividend income	-	-	(32,011,830)	(36,280,074)
Loss on Goodwill impairment	4,904,000	-	-	-
Financial cost - interest expense	105,062,108	113,563,840	45,312,343	50,214,687
Profit from operations before changes in operating assets and liabilities	430,933,932	467,644,231	138,548,175	129,232,684
Operating assets (increase) decrease				
Trade and other current receivables	(5,077,165)	7,015,220	3,389,846	(2,019,633)
Inventories	(1,085,705)	450,759	394,109	42,397
Other non-current assets	(1,094,168)	921,449	(24,472)	125,650

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, 2018

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Operating liabilities increase (decrease)				
Trade payables	(1,227,108)	7,489,358	(1,261,332)	(296,854)
Other current payables	4,403,191	2,747,278	(453,734)	5,082,502
Guarantee for rental	865,857	(17,307,367)	598,388	(1,942,095)
Other non-current liabilities	328,366	(15,306)	128,204	(98,404)
Cash received from operating activities	428,047,200	468,945,622	141,319,184	130,126,247
Cash paid for non-current provisions for employee benefit	(3,360,740)	(4,240,400)	(1,560,520)	(1,969,700)
Cash paid for cancellation of leasehold rights on leased area	-	(6,000,000)	-	-
Cash received from insurance compensation receivable	182,758,649	-	-	-
Corporate income tax refund	2,009,812	2,758,239	-	-
Corporate income tax paid	(20,763,760)	(16,728,455)	(1,426,501)	(1,347,663)
Net cash provided by operating activities	588,691,161	444,735,006	138,332,163	126,808,884
Cash flow from investing activities :				
Dividend income from investment	-	-	32,011,830	36,280,074
Cash received from sale of fixed assets	1,811,559	579,936	249,316	44,080
Cash paid for deposit for purchase of assets	(20,186,027)	(7,318,122)	-	-
Cash paid for purchase of fixed assets and intangible assets	(778,343,447)	(267,266,255)	(16,621,531)	(3,484,414)
Cash paid for prepaid rental	(32,633,621)	(29,034,947)	-	-
Assets payable increase (decrease)	(12,637,086)	(21,123,978)	3,355,311	(12,616)
Net cash provided by (used in) investing activities	(841,988,622)	(324,163,366)	18,994,926	32,827,124

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, 2018

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flow from financing activities :				
Bank overdrafts and short term loans from financial institution increase (decrease)	6,178,605	69,450,365	(36,610,113)	(8,591,688)
Cash paid for short-term loans and accrued interest expense - related party	-	-	(125,000,000)	(56,400,000)
Cash received for short-term loans and accrued interest expense - related parties	-	-	167,500,000	50,500,000
Cash paid for financial cost	(104,463,993)	(113,301,774)	(38,041,375)	(42,758,494)
Cash paid for dividend	(73,735,020)	(48,369,001)	(71,996,850)	(46,399,075)
Non-controlling interests increase (decrease)	(11,200,000)	22,340,100	-	-
Cash paid for long-term loans	(190,934,604)	(219,151,060)	(56,000,000)	(56,000,000)
Cash received from long-term loans	623,848,490	153,305,615	-	-
Cash paid for liabilities under financial lease agreement	(1,354,896)	(1,279,849)	(257,383)	(243,521)
Net cash provided by (used in) financing activities	248,338,582	(137,005,604)	(160,405,721)	(159,892,778)
Cash and cash equivalents decrease - net	(4,958,879)	(16,433,964)	(3,078,632)	(256,770)
Difference from currency translation	(4,639,533)	2,940,093	-	-
Cash and cash equivalents at the beginning of year	66,499,598	79,993,469	7,669,566	7,926,336
Cash and cash equivalents at the ending of year	56,901,186	66,499,598	4,590,934	7,669,566

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, 2018

1. GENERAL INFORMATION

1.1. The Company and its six subsidiaries,

- The Company and two of its subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd. are involved in the hotel business, with their principal activities consisting of room service and operating restaurants. Hotels operated by Asia Airport Hotel Co., Ltd. include:

Asia Cha Am Hotel

Ratchapruerk Lanna Boutique

Darley Hotel

- A Subsidiary, Zeer Property Plc., is involved in rental shopping complex business.
- A Subsidiary, ZEER OVERSEA LLC., is involved in rental of shopping complex business and the hotel business consisting of room service (Quality Inn Long Beach Airport).
- A subsidiary, Zeer Asset Co., Ltd., is involved in the rental of hotel business.
- A Subsidiary, Spa Hotel Co., Ltd., is involved in rental of shopping complex business and the rental of hotel business.

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

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

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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	
			2018 Percent	2017 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.	Rental hotel	Thailand	99.90	96.99
ZEER OVERSEA LLC.	Rental shopping complex and hotel	USA	99.93	99.77
Spa Hotel Co., Ltd.	Rental shopping complex and rental hotel	Thailand	92.00	84.00

On July 16, 2018, the subsidiary, Zeer Asset Co., Ltd. increased capital to Baht 30 Million, divided into 300,000 shares of Baht 100 per share whereby the subsidiary, Zeer Property Plc., holds the interest at 100% of the newly increased capital which was already fully paid. As a result, the subsidiary, Zeer Property Plc., has the proportion in shareholding of the subsidiary increased from 96.99 % to 99.90 % . This increased the discount on changing in a proportion of the investment of Baht 0.15 million which presented as net from the surplus on change of proportion interest in subsidiary in the shareholder's equity in “statements of change in shareholders' equity” and will be recognised as profit or loss upon disposal of investment.

On September 30, 2018, the subsidiary, Zeer Property Plc., changed a proportion in shareholding of the subsidiary, ZEER OVERSEA LLC. from 99.77 % to 99.79 % from the 1st increased capital by Baht 4.83 million (USD 0.14 million).

On November 1, 2018, the subsidiary, Zeer Property Plc., changed a proportion in shareholding of the subsidiary, ZEER OVERSEA LLC. from 99.79 % to 99.93 % from the 2nd increased capital by Baht 197.03 million (USD 6.1 million).

On October 11, 2018, the subsidiary, Zeer Property Plc., entered into a share purchase with an existing shareholder of the subsidiary, Spa Hotel Co., Ltd. of 1,120,000 shares, at a par value of Baht 10 per share, totaling Baht 11.20 million. The subsidiary, Zeer Property Plc., which holds a total of 12,879,987 shares in the subsidiary, Spa Hotel Co., Ltd., holds 92% interest of the capital. This increased the discount on changing in a proportion of the investment of Baht 0.54 million which presented as net from the surplus on change of proportion interest in subsidiary in the shareholder's equity in “statements of change in shareholders' equity” and will be recognised as profit or loss upon disposal of investment.

- b) Subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly through other subsidiaries, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Assets and liabilities denominated in foreign currencies in the financial statements of the subsidiary in US Dollar are translated into Thai Baht at exchange rates at the end of reporting period. Revenue and expenses are translated into Thai Baht at exchange rates using monthly average exchange rates. The difference from currency translation is presented in "Currency Translation" in the Statements of Changes in Shareholders' Equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

New financial reporting standards

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

During the year 2018, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2019

During the year 2018, the Federation of Accounting Professions issued a number of revised and new financial reporting standards and interpretations (revised 2018) including new accounting treatment guidance, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company and its subsidiaries believe that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

(c) Financial reporting standards related to the set of financial instruments that will become effective for fiscal years beginning on or after January 1, 2020

During the year 2018, the Federation of Accounting Professions issued the set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

At present, the management of the Company and its subsidiaries is evaluating the impact of these standards to the financial statements in the year when it is adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses recognition

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

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

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

Service income is recognised when service has been rendered.

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

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

Other incomes and expenses are recognised 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.

Trade and other current 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 recognised 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 recognised 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 recognised 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.

Trademark of a subsidiary, ZEER OVERSEA LLC. represents the right to use trademark "Quality inn" which is considered as intangible assets and stated at cost less accumulated amortization and impairment (if any). Trademark is amortized by the straight-line method over 20 years according to the term of contract.

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, trade and other current 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 recognises 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 recognised 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 recognises 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 is calculated by dividing profit attributable to the ordinary equity holders of the parent by the weighted average number of common shares outstanding during the year. The Company adjusted the weighted average number of common shares, as a result of the change of par value of the Company's common shares as mentioned in Note 25 as if the change of par value of common shares had been incurred at the beginning of the earliest year reported. The basic earnings per share for the year ended December 31, 2017 has been recalculated for comparative purposes with basic earnings per share of the current 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 recognised 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 recognised 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, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Cash on hand	5,622	5,134	2,588	2,805
Non-clearing cheques	407	2,246	281	1,239
Cash at banks				
Current account	26,681	8,851	1,497	3,406
Saving account	24,182	50,260	225	220
Fixed deposit with maturity of less than 3 months	9	9	-	-
Total	56,901	66,500	4,591	7,670

6. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables - net as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade receivable				
The Company and its three subsidiaries, involved in the hotel business :				
Current accounts	15,257	20,858	10,580	13,694
Overdue 1 - 30 days	7,173	3,954	2,783	2,703
Overdue 31 - 60 days	1,102	452	659	610
Overdue 61 - 90 days	468	669	99	669
Overdue 91 - 365 days	384	320	211	187
Overdue more than 1 year	2,926	2,885	479	478
	27,310	29,138	14,811	18,341
<u>Less</u> Provision for doubtful debt	(2,854)	(2,854)	(478)	(478)
Total	24,456	26,284	14,333	17,863

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Subsidiary company - Zeer Property Plc. involved in				
rental shopping complex business :				
Current accounts	10,205	9,098	-	-
Overdue 1 - 30 days	20,305	21,215	-	-
Overdue 31 - 60 days	10,222	11,253	-	-
Overdue 61 - 90 days	3,512	3,010	-	-
Overdue 91 - 365 days	4,536	5,120	-	-
Overdue more than 1 year	19,420	16,648	-	-
	<u>68,200</u>	<u>66,344</u>	<u>-</u>	<u>-</u>
<u>Less</u> Provision for doubtful debt	<u>(17,151)</u>	<u>(16,186)</u>	<u>-</u>	<u>-</u>
	<u>51,049</u>	<u>50,158</u>	<u>-</u>	<u>-</u>
Total	75,505	76,442	14,333	17,863
Post dated cheques	4,943	3,915	-	-
Trade receivable - net	<u>80,448</u>	<u>80,357</u>	<u>14,333</u>	<u>17,863</u>
Other current receivable				
Other current receivable	7,845	8,180	-	-
Prepaid expenses	4,961	5,025	1,395	1,214
Withholding tax	14,528	9,082	-	-
Others	11,725	9,358	266	307
Total other current receivable	39,059	31,645	1,661	1,521
<u>Less</u> Provision for doubtful debt	<u>(9,605)</u>	<u>(7,830)</u>	<u>-</u>	<u>-</u>
Trade other receivable - net	<u>29,454</u>	<u>23,815</u>	<u>1,661</u>	<u>1,521</u>
Total trade and				
other current receivable - net	<u>109,902</u>	<u>104,172</u>	<u>15,994</u>	<u>19,384</u>
Change in provision for doubtful debt				
Beginning balance	26,870	28,925	478	335
Increase (Decrease) during the year	2,740	(2,055)	-	143
Ending balance	<u>29,610</u>	<u>26,870</u>	<u>478</u>	<u>478</u>

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, 2018 and 2017 are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Trade receivables				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	52	68
Asia Airport Hotel Co., Ltd.	-	-	23	573
Zeer Property Plc.	-	-	16	15
Other current payable				
Subsidiary				
Asia Pattaya Hotel Co., Ltd.	-	-	66	-
Prepaid insurance expense				
Related company				
Nam Seng Insurance Plc.	3,398	3,412	426	440

Unit: Thousands Baht

	Consolidated financial		Separate financial		Policy to charge the Inter-	
	statements		statements		company borrowing cost (%)	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Short-term loans and accrued interest						
expenses from related parties						
Subsidiaries						
Asia Pattaya Hotel Co., Ltd.						
- Loans	-	-	15,000	57,500	7.25	7.25
- Accrued interest expenses	-	-	139,259	137,076		
Total	-	-	154,259	194,576		
Asia Airport Hotel Co., Ltd.						
- Loans	-	-	25,021	30,021	7.25	7.25
- Accrued interest expenses	-	-	31,011	28,968		
Total	-	-	56,032	58,989		
Zeer Property Plc.						
- Loans	-	-	90,000	-	5.995	-
- Accrued interest expenses	-	-	3,100	-		
Total	-	-	93,100	-		
Total short-term loans and accrued interest						
expenses from related parties	-	-	303,391	253,565		

The Company has loans from 3 subsidiaries, Asia Pattaya Hotel Co., Ltd., Asia Airport Hotel Co., Ltd. and Zeer Property Plc., 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, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Short-term loans				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	57,500	58,400
Increase during the year	-	-	5,500	42,500
Repayment during the year	-	-	(48,000)	(43,400)
Ending balance	-	-	15,000	57,500
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	30,021	35,021
Increase during the year	-	-	2,000	8,000
Repayment during the year	-	-	(7,000)	(13,000)
Ending balance	-	-	25,021	30,021
Zeer Property Plc.				
Beginning balance	-	-	-	-
Increase during the year	-	-	90,000	-
Ending balance	-	-	90,000	-

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Accrued interest expenses				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	137,076	132,774
Increase during the year	-	-	2,183	4,302
Ending balance	-	-	139,259	137,076
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	28,968	25,928
Increase during the year	-	-	2,043	3,040
Ending balance	-	-	31,011	28,968
Zeer Property Plc.				
Beginning balance	-	-	-	-
Increase during the year	-	-	3,100	-
Ending balance	-	-	3,100	-
Rental prepayment				
Related company				
Don Mung Grand Plaza Co., Ltd.				
Rental prepayment	158,765	148,467	-	-
Total	158,765	148,467	-	-

Sales and purchases of goods and services

Transactions between the Company and related parties for the years ended December 31, 2018 and 2017 are summarized below:

	Unit: Thousands Baht				Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	
Rental income					
Subsidiary					
Asia Pattaya Hotel Co., Ltd.	-	-	1,200	1,200	As specified in agreement
Other income					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	143	2,710	At the agreed price
Asia Pattaya Hotel Co., Ltd.	-	-	306	372	At the agreed price
Zeer Property Plc.	-	-	71	190	At the agreed price
Nam Seng Insurance Plc.	519	-	519	-	At the agreed price
Training and seminar fees					
Asia Pattaya Hotel Co., Ltd.	-	-	62	-	At the agreed price
Land rental					
Related company					
Don Mung Grand Plaza Co., Ltd.	22,336	22,336	-	-	As specified in agreement
Interest expenses					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	2,043	3,039	7.25% per annum
Asia Pattaya Hotel Co., Ltd.	-	-	2,183	4,301	7.25% per annum
Zeer Property Plc.	-	-	3,100	-	5.995% per annum
Insurance premiums expenses					
Related company					
Nam Seng Insurance Plc.	6,641	7,919	866	1,421	As specified in agreement

8. INVENTORIES - NET

Inventories - net as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Restaurant				
- Food	3,188	3,492	1,559	1,914
- Beverage	1,363	1,441	748	840
- Supplies	4,284	4,301	96	59
Hotel				
- Supplies	8,930	8,662	2,099	2,135
- Operating equipment	13,349	12,161	1,953	1,930
- Reserve of operating equipment	12,136	12,107	12,136	12,107
Total	43,250	42,164	18,591	18,985
<u>Less Allowance for impairment</u> of inventories	(135)	(135)	(135)	(135)
Inventories - net	43,115	42,029	18,456	18,850

9. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2018 and 2017, and dividend income for years ended December 31, 2018 and 2017 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,
		2018	2017	2018	2017	2018	2017	2018	2017
Asia Pattaya Hotel Co.,Ltd.	Hotel	120,000	120,000	99.42	99.42	119,300	119,300	-	-
Asia Airport Hotel Co.,Ltd.	Hotel	495,000	495,000	100.00	100.00	592,499	592,499	-	-
Zeer Property Plc.	Shopping Complex for rent	225,000	225,000	94.85	94.85	428,794	428,794	32,012	36,280
Total investments in subsidiary companies						1,140,593	1,140,593	32,012	36,280

At Ordinary Shareholders' Meeting No. 1/2018 held on April 23, 2018 of the subsidiary, Zeer Property Plc., passed a resolution to pay dividend to shareholders from the operating results of 2017 at the rate of Baht 0.23 per share for 225 million shares, totaling Baht 51.75 million. The subsidiary paid an interim dividend at the rate Baht 0.08 per share in 2017, totaling Baht 18 million. The remaining dividend was paid on May 15, 2018 at the rate Baht 0.15 per share, totaling Baht 33.75 million.

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

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

The following subsidiaries have material Non-controlling interests.

			Unit: Thousands Baht	
			December 31, 2018	
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	(80)	8,001
Zeer Property Plc.	Shopping Complex for rent	5.15	(535)	159,656
Total			(615)	167,657

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, 2018			
Current assets	166,291	259,397	425,688
Non-current assets	1,622,722	5,197,070	6,819,792
Current liabilities	(46,287)	(318,684)	(364,971)
Non-current liabilities	(363,198)	(2,309,618)	(2,672,816)
Net assets	1,379,528	2,828,165	4,207,693
Net assets attributable to			
Non-controlling interests	8,001	159,656	167,657
For the year ended December 31, 2018			
Revenues	105,536	671,996	777,532
Net loss for the year Attributable to			
Non-controlling interests	(80)	(314)	(394)
Total other comprehensive loss			
attributable to non-controlling interests	-	(221)	(221)
Total comprehensive loss for the year			
attributable to non-controlling interests	(80)	(535)	(615)
Dividends paid to			
Non-controlling interests	-	1,738	1,738
Net cash provided by (used in)			
Operating activities	(8,527)	433,318	424,791
Investing activities	39,351	(900,731)	(861,380)
Financing activities	(30,717)	465,604	434,887
Cash and cash equivalents			
Increase(decrease) - net	107	(1,809)	(1,702)

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,	
	2018	2017	2018	2017	2018	2017	2018	2017	
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)		
Total 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 18.

12. INVESTMENT PROPERTIES - NET

Investment properties - net as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements			
	Building and building improvement and public utility system	Furniture and fixtures	Tool and office equipment	Total
Cost				
As at January 1, 2018	65,575	8,897	951	75,423
Purchase	-	7	47	54
As at December 31, 2018	65,575	8,904	998	75,477
Less Accumulated depreciation				
As at January 1, 2018	(5,767)	(5,201)	(567)	(11,535)
Depreciation for the year	(1,868)	(1,725)	(189)	(3,782)
As at December 31, 2018	(7,635)	(6,926)	(756)	(15,317)
Net book value				
As at December 31, 2017	59,808	3,696	384	63,888
As at December 31, 2018	57,940	1,978	242	60,160

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

	Unit: Thousands Baht	
	Consolidated financial statements	
	Fair value	
	December 31, 2018	December 31, 2017
Apartment Project	64,000	64,000

13. PROPERTY, PLANT AND EQUIPMENT – NET

For the year ended December 31, 2018, the Company and subsidiaries have following movements in the property, plant and equipment – net:

	Consolidated financial statements																Unit: Thousands Baht
	Land			Building and building improvement and public utility system			Outside project	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	Land improvement	Historical cost	Revaluation surplus	Loss from fixed assets revaluation	improvement	improvement	and equipment	and fixtures	ornaments	restaurants	equipment	equipped	construction	Total	
Cost																	
As at January 1, 2018	511,440	2,897,099	1,545	4,177,169	3,634,630	(50,754)	65,719	3,657	273,815	1,305,512	99,789	166,846	65,114	77,910	73,820	13,303,311	
Purchase	207,141	-	-	425,777	-	-	1,434	-	11,498	33,622	1,398	6,300	9,334	8,353	114,128	818,985	
Disposals	-	-	-	(1,079)	-	-	(1,278)	-	(19,435)	(1,452)	(516)	(1,062)	(55)	(2,445)	(351)	(27,673)	
Written off	-	-	-	(578)	-	-	-	-	-	(467)	-	-	(498)	-	-	(1,543)	
Transfer in (Transfer out)	-	-	-	526	-	-	96,078	-	221	9,071	-	-	1,911	-	(107,807)	-	
Financial statement translation	(161)	(460)	-	747	-	-	-	-	-	87	-	-	-	-	-	213	
As at December 31, 2018	718,420	2,896,639	1,545	4,602,562	3,634,630	(50,754)	161,953	3,657	266,099	1,346,373	100,671	172,084	75,806	83,818	79,790	14,093,293	
Less Accumulated depreciation																	
As at January 1, 2018	-	-	1,544	2,105,968	899,672	-	39,508	2,703	238,688	999,522	90,280	156,436	50,253	62,637	-	4,647,211	
Depreciation for the year																	
Cost	-	-	-	74,583	-	-	5,156	182	10,732	82,352	3,162	3,989	6,278	5,309	-	191,743	
Revaluated	-	-	-	-	87,156	-	-	-	-	-	-	-	-	-	-	87,156	
Disposals	-	-	-	(769)	-	-	(1,106)	-	(19,432)	(94)	(516)	(1,010)	(46)	(2,316)	-	(25,289)	
Written off	-	-	-	(60)	-	-	-	-	-	(461)	-	-	(496)	-	-	(1,017)	
Financial statement translation	-	-	-	(72)	-	-	-	-	-	2	-	-	-	-	-	(70)	
As at December 31, 2018	-	-	1,544	2,179,650	986,828	-	43,558	2,885	229,988	1,081,321	92,926	159,415	55,989	65,630	-	4,899,734	
Net book value																	
As at December 31, 2018	718,420	2,896,639	1	2,422,912	2,647,802	(50,754)	118,395	772	36,111	265,052	7,745	12,669	19,817	18,188	79,790	9,193,559	
As at December 31, 2017	511,440	2,897,099	1	2,071,201	2,734,958	(50,754)	26,211	954	35,127	305,990	9,509	10,410	14,861	15,273	73,820	8,656,100	

Separated financial statements

Unit: Thousands Baht

	Land		Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Equipment for Furniture hotel and restaurants ornaments	Tool and office equipment	Vehicles	Work under construction	Total	
	Historical	Revaluation	Historical	Revaluation									
	cost	surplus	cost	surplus									
Cost													
As at January 1, 2018	159,120	1,348,825	501,299	366,988	103,890	153,082	448,342	86,243	91,239	15,860	8,377	221	3,283,486
Purchase	-	-	-	-	-	8,559	143	165	1,094	3,994	-	2,449	16,404
Disposals	-	-	-	-	-	(19,404)	(15)	(516)	(957)	(43)	(2,445)	-	(23,380)
Written off	-	-	-	-	-	-	(165)	-	-	-	-	-	(165)
Transfer in (Transfer out)	-	-	-	-	-	221	-	-	-	-	-	(221)	-
As at December 31, 2018	159,120	1,348,825	501,299	366,988	103,890	142,458	448,305	85,892	91,376	19,811	5,932	2,449	3,276,345
Less Accumulated depreciation													
As at January 1, 2018	-	-	394,357	88,925	50,406	129,096	378,467	79,619	89,398	13,428	7,016	-	1,230,712
Depreciation for the year													
Cost	-	-	4,738	-	6,656	5,962	21,899	2,644	464	1,093	248	-	43,704
Revaluated	-	-	-	7,130	-	-	-	-	-	-	-	-	7,130
Disposals	-	-	-	-	-	(19,404)	(15)	(516)	(937)	(43)	(2,316)	-	(23,231)
Written off	-	-	-	-	-	-	(165)	-	-	-	-	-	(165)
As at December 31, 2018	-	-	399,095	96,055	57,062	115,654	400,186	81,747	88,925	14,478	4,948	-	1,258,150
Net book value													
As at December 31, 2018	159,120	1,348,825	102,204	270,933	46,828	26,804	48,119	4,145	2,451	5,333	984	2,449	2,018,195
As at December 31, 2017	159,120	1,348,825	106,942	278,063	53,484	23,986	69,875	6,624	1,841	2,432	1,361	221	2,052,774

Depreciation in the statements of profit or loss for the years ended December 31, 2018 and 2017 are as follow:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation - Historical Cost	191,743	181,196	43,704	43,393
Depreciation - Revaluation surplus	87,156	84,523	7,130	7,130

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

Building and equipment as at December 31, 2018 and 2017 in amount of Baht 1,250.11 million and Baht 1,250.53 million, respectively in consolidated financial statements and Baht 485.35 million and Baht 505.34 million, respectively in separate financial statements, have been fully depreciated but still in use.

The Company and subsidiaries uses land with its construction as collateral for loan from a bank as stated in Notes 18 and 20

Ratchapruerk Lanna Boutique

- In April 2018, the subsidiary, Zeer Asset Co., Ltd. entered into a purchase and sale of land and construction agreement with other party. The property is located at Nongkwai Sub-district, Hang Dong District, Chiang Mai (Ratchapruerk Lanna Boutique formerly named: Prat Rajapruerk Resort & Spa), at a total price of Baht 85.13 million. The subsidiary has paid the transferred ownership of land and building on April 30, 2018. Land and buildings have a fair value of Baht 80.23 million based on the market method and depreciated replacement cost approach method which was appraised by an independent appraiser according to the report date on May 24, 2018. However, the value calculated based on an income approach method is lower than Baht 80.23 million. The subsidiary, therefore, recorded impairment loss of goodwill of Baht 4.90 million in the statement of profit or loss for the year ended December 31, 2018, are as follows:

The identifiable assets and liabilities acquired.

	Unit : Thousand Baht
Land (fair value)	22,437
Building and buiding improvement (fair value)	57,787
Total assets	80,224
Net assets	80,224
Total purchase consideration - cash	85,128
Goodwill	4,904

Darley Hotel

- The subsidiary, Spa Hotel Co., Ltd. rent hotel facility to a subsidiary, Asia Airport Hotel Co., Ltd., to operate the Darley Hotel Chiang-Mai project, which starting on September 15, 2018.

Quality Inn Long Beach Airport

- On November 1, 2018, the subsidiary, ZEER OVERSEA LLC. invested in a hotel business and acquired land and buildings (Quality Inn Long Beach Airport) from the third party. The subsidiary has paid for the purchase in amount of USD 14.44 million.

As at December 31, 2018, the subsidiary is still assessing fair value of the net assets acquired by an independent valuer. The Management has estimated the fair value of the identifiable assets acquired and liabilities assumed from the business combination for accounting record. The fair value is being measured within the period not over 1 year from the business acquisition date in accordance with Thai Financial Reporting Standard No.3 (revised 2017) Business Combinations. During the value measurement period if new information about facts and circumstances that existed at the acquisition date, the Group will adjust the above provisional fair values, or recognize any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

The identifiable assets and liabilities acquired.

	Unit : Thousand Baht
Land	185,500
Building and buiding improvement	262,794
Furniture and fixtures	20,281
Total assets	<u>468,575</u>
Net assets	468,575
Total purchase consideration - cash	<u>468,575</u>
Goodwill	<u><u>-</u></u>

The subsidiaries, Zeer Property Plc. and ZEER OVERSEA LLC. use land with constructions as collateral for loans from two banks.

14. REAPPRAISAL

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

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

	Unit: Thousands Baht				
	Consolidated financial statement				
	Balance as at January 1, 2018	Amortization during the year	Deferred tax liability decreased	Difference from foreign exchange rates	Balance as at December 31, 2018
Land	2,314,163	-	-	(460)	2,313,703
Building and building improvement and public utility system	2,907,982	-	-	-	2,907,982
Total excess of revaluation surplus	5,222,145	-	-	(460)	5,221,685
<u>Less</u> Accumulated revaluation surplus - write-off	(722,167)	(87,156)	17,431	137	(791,755)
Total revaluation surplus	4,499,978	(87,156)	17,431	(323)	4,429,930
<u>Less</u> Non-controlling interest - net	(109,441)	3,936	(788)	1	(106,292)
Total revaluation surplus - net	4,390,537	(83,220)	16,643	(322)	4,323,638

	Unit: Thousands Baht			
	Seperated financial statement			
	Balance as at January 1, 2018	Amortization during the year	Deferred tax liability decreased	Balance as at December 31, 2018
Land	1,079,061	-	-	1,079,061
Building and building improvement and public utility system	293,589	-	-	293,589
Total excess of revaluation surplus	1,372,650	-	-	1,372,650
<u>Less</u> Accumulated revaluation surplus- write-off	(71,141)	(7,130)	1,427	(76,844)
Total revaluation surplus - net	1,301,509	(7,130)	1,427	1,295,806

15. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, 2018 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statement			
	Balance as at	Movement during the year		Balance as at
	January 1, 2018	Increased/Transfer	Decreased/Transfer	December 31, 2018
Cost				
Computer Software	13,506	1,895	-	15,401
Trademark	-	1,379	-	1,379
Total cost	13,506	3,274	-	16,780
Accumulated amortization				
Computer Software	(10,180)	(1,462)	-	(11,642)
Trademark	-	(12)	-	(12)
Total accumulated amortization	(10,180)	(1,474)	-	(11,654)
Intangible assets - net	3,326			5,126

	Unit: Thousands Baht			
	Seperated financial statement			
	Balance as at	Movement during the year		Balance as at
	January 1, 2018	Increased/Transfer	Decreased/Transfer	December 31, 2018
Cost				
Computer Software	5,034	218	-	5,252
Accumulated amortization				
Computer Software	(3,343)	(674)	-	(4,017)
Intangible assets - net	1,691			1,235

Amortization for the years ended December 31, 2018 and 2017 in the consolidated statement of profit or loss are Baht 1.47 million and Baht 1.34 million, respectively and in the separate statements of profit or loss are Baht 0.67 million and Baht 0.64 million, respectively.

On October 31, 2018, the subsidiary, ZEER OVERSEA LLC. entered into a “Franchise Agreement” with an overseas company for using the trademark “Quality Inn”. The term of contract is 20 years from the date of starting the hotel operation and the franchise fee is specified in the contract.

16. DEFERRED TAX

Deferred tax as at December 31, 2018 and 2017 are as follows:

Unit: Thousands Baht						
Consolidated financial statements						
	Assets		Liabilities		Net	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Property, plant and						
equipment - revaluated	-	-	1,116,737	1,133,776	1,116,737	1,133,776
Land rental	-	-	15,519	12,453	15,519	12,453
Non-current provisions for						
employee benefit	(16,472)	(14,951)	-	-	(16,472)	(14,951)
Deferred revenue - leasehold						
rights on leased area	(3,620)	(4,479)	-	-	(3,620)	(4,479)
Tax loss carried forward	(5,671)	(8,762)	-	-	(5,671)	(8,762)
Depreciation	-	-	42,510	31,899	42,510	31,899
Loss form fixed assets revaluation	(11,404)	(11,545)	-	-	(11,404)	(11,545)
Gain on compensation						
from insurance claim	-	-	-	11,858	-	11,858
Others	(636)	(676)	6,163	3,646	5,527	2,970
Total	(37,803)	(40,413)	1,180,929	1,193,632	1,143,126	1,153,219
Income tax offsetting	35,457	38,311	(35,457)	(38,311)	-	-
Deferred tax (assets)						
and liabilities - net	(2,346)	(2,102)	1,145,472	1,155,321	1,143,126	1,153,219

Unit: Thousands Baht

	Separate financial statements					
	Assets		Liabilities		Net	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Inventories	(27)	(27)	-	-	(27)	(27)
Property, plant and equipment - revaluated	-	-	323,952	325,378	323,952	325,378
Non-current provisions for employee benefit	(7,773)	(7,229)	-	-	(7,773)	(7,229)
Tax loss carried forward	(5,671)	(8,762)	-	-	(5,671)	(8,762)
Total	(13,471)	(16,018)	323,952	325,378	310,481	309,360
Income tax offsetting	13,471	16,018	(13,471)	(16,018)	-	-
Deferred tax liabilities - net	-	-	310,481	309,360	310,481	309,360

Income tax expense for the years ended December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Corporate income tax expense	(13,764)	(8,215)	-	-
Deferred taxes income (expense)	9,990	(9,447)	(1,121)	(2,469)
Income tax expense	(3,774)	(17,662)	(1,121)	(2,469)

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	
	2018	2017	2018	2017
Profit before income tax	6,444	179,242	68,347	58,704
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	1,289	35,848	13,669	11,741
Non-deductible expenses by the Revenue Code	3,991	2,508	254	302
Allowance by the Revenue Code	(9,505)	(6,664)	(9,491)	(6,637)
Dividend income	-	-	(6,402)	(7,256)
Non-taxable income	(4,963)	(22,605)	-	-
Net loss in current year,				
not recognized as deferred tax	8,487	3,882	-	-
Adjustment on deferred tax assets	3,199	4,319	3,091	4,319
Difference from income tax rate	(229)	(485)	-	-
Other	1,505	859	-	-
Income tax expense	3,774	17,662	1,121	2,469
The average effective tax rate	59%	10%	2%	4%

The subsidiary have tax losses carried forward. Due to the uncertainty of the utilization, the Management, therefore, considers not to recognise part of tax loss as deferred tax. Unrecognised tax loss are as follow:

Unit: Million Baht	
Expiry date	Consolidated financial statements
2019	21.96
2020	11.56
2021	23.18
2022	15.51
2023	30.78
Total	102.99

According to Act No. 42 B.E. 2559 dated March 3, 2016, the corporate income tax rate has been continued at 20 % on net profit for the accounting periods beginning on January 1, 2016. The subsidiary in oversea calculated income tax using the flat rate at 29.84% on net profit for the accounting periods beginning on January 1, 2018 and using the progressive tax rate in year 2017.

17. PREPAID RENTAL - NET

Prepaid rental – net as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Beginning balance	411,323	382,288	33,915	33,915
Increase during the year	32,634	29,035	-	-
Total	443,957	411,323	33,915	33,915
Less Accumulated amortization	(278,089)	(254,541)	(26,813)	(25,600)
Prepaid rental - net	165,868	156,782	7,102	8,315

Amortization for the years ended December 31, 2018 and 2017 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. BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTION

Bank overdraft and short-term loan from financial institution as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Bank overdraft	86,473	62,397	22,230	23,840
Promissory notes	37,977	55,000	-	35,000
Short-term loan	-	124,184	-	-
Total bank overdraft and short-term loan from financial institution	124,450	241,581	22,230	58,840

As at December 31, 2018, the Company and subsidiaries had the credit facilities for loans as follows:

- 18.1 The Company has overdrafts line of Baht 41 million and promissory notes line of Baht 40 million with interest rate at MLR% per annum, guaranteed by directors of the Company and by mortgaging of the land with construction of the Company and of Asia Pattaya Hotel Co., Ltd. and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.
- 18.2 A subsidiary, Asia Pattaya Hotel Co., Ltd., has overdrafts line of Baht 25 million and promissory note line of Baht 20 million, guaranteed by directors of Asia Pattaya Hotel Co., Ltd. and by mortgaging of the land with construction of Asia Pattaya Hotel Co., Ltd. and of the Company and leasehold right on Zeer Rangsit Complex of Asia Airport Hotel Co., Ltd.

- 18.3 A subsidiary, Asia Airport Hotel Co., Ltd., has overdrafts line of Baht 10 million, guaranteed by the directors of the Company, Asia Hotel Public Company Limited, and leasehold right on Zeer Rangsit Complex.
- 18.4 A subsidiary, Zeer Property Plc., has overdrafts line of Baht 54 million and promissory notes line of Baht 100 million, with interest rate at MOR-1.00% per annum, guaranteed by the directors of the Company and of Zeer Asset Co., Ltd., Asia Pattaya Co., Ltd., Asia Hotel Plc., Don Muang Grand Plaza Co., Ltd., and by mortgaging of land with construction in Zeer Rangsit Complex and at Cha-am, Apartment project and leasehold right on area of Zeer Rungsit, and deposits at financial institution (Note 11).
- 18.5 A subsidiary, ZEER OVERSEA LLC., has entered into the short-term loan agreement with an overseas financial institution in facility of USD 3.8 million. The repayment will be made within 1 year with the interest rate at LIBOR + 2.75% per annum. This is guaranteed by the Stand By Letter of Credit (SBLC) facility of USD 3.8 million from a domestic financial institution. The subsidiary received the short-term loan on August 1, 2017. The repayments must be completed on July 2, 2018.
- On July 1, 2018, the subsidiary, ZEER OVERSEA LLC., entered into the long-term loan agreement with an overseas financial institution in facility of USD 3.8 million in order to settle the existing short-term loan as referred in Note 20.6 and changed the collateral from Standby Letter of Credit (SBLC) to mortgaged land with its construction at Glendale & Glenhurst Project of the subsidiary, ZEER OVERSEA LLC., and guarantee by some directors of the subsidiary.
- 18.6 A subsidiary, Zeer Property Plc., has entered into a Credit Support Agreement with a local bank for providing a Standby Letter of Credit (SBLC) in the amount not to exceed of USD 3.8 million to guarantee the revolving line of credit of ZEER OVERSEA LLC., a subsidiary of the Company, with a foreign financial institution, guaranteed by part of land with its construction at Cha-am Project and the director of Zeer Property Plc.
- On July 1, 2018, the subsidiary, Zeer Property Plc., cancelled of Standby Letter of Credit (SBLC) of USD 3.8 million because the subsidiary, ZEER OVERSEA LLC., entered the long-term loan agreement (Note 18.5).
- 18.7 The subsidiary, Spa Hotel Co., Ltd has entered into credit facilities totaling Baht 15 million consisting of overdrafts line of Baht 10 million and guarantee of Baht 5 million, with the interest rate at MOR per annum, guaranteed by land with its construction of the subsidiary, Spa Hotel Company Limited and some directors of Zeer Property Plc.

19. OTHER CURRENT PAYABLES

Other current payables as at December 31, 2018 and 2017 are as follows:

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Accrued expenses	56,973	51,668	17,720	18,920
Unearned revenue	13,014	13,651	4,245	3,896
VAT payable and output tax	5,457	6,111	1,872	2,289
Retention	12,050	10,857	89	89
Others	9,622	9,827	2,016	1,256
Total other current payables	97,116	92,114	25,942	26,450

20. LONG-TERM LOANS FROM FINANCIAL INSTITUTION – NET

Long-term loans from financial institution - net as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Long-term loans from banks	2,351,581	1,795,357	555,000	611,000
<u>Less</u> current portion of long-term loans from financial institutions	(212,922)	(189,663)	(56,000)	(56,000)
Total long-term loans - net	2,138,659	1,605,694	499,000	555,000

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

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

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

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

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

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

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

On May 25, 2012, the Company entered into the loan agreement with the financial institution in facility of Baht 950 million for supporting the construction Zeer II and for supporting Apartment Project in facility of Baht 50 million. The first three years bear interest rate at MLR - 1.50% per annum, the fourth - seventh years at MLR - 1.00% per annum and the eighth year onwards at MLR - 0.50% per annum. The principal is paid on quarterly basis (4 periods) and its interest is paid on monthly basis. The repayment must be completed within September 2026.

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

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

- On January 11, 2011, the subsidiary entered into loan agreement with a financial institution in credit line of Baht 180 million in order to provide loan to subsidiary ZEER OVERSEA LLC. to purchase investment properties in USA. The principal is required to be paid through 120 installments and interest is required to be monthly paid with interest rate at MLR – 0.25% per annum for the 1st – 2nd year and at MLR per annum for the third year onwards, commencing in April 2011 and will be completed in March 2021. In the second quarter of year 2017, the subsidiary fully repaid the principal.

Long-term loan is guaranteed by some of leasehold right on Zeer Rangsit Building which is hold by a domestic subsidiary, land with its construction of a related company, two related companies, a subsidiary in oversea and some directors of the Company and the subsidiary.

Under the term of the loan agreement, the subsidiary has to maintain the D/E Ratio not exceed 2.7:1 and DSCR Ratio not lower than 1.25:1.

- On February 2, 2010, the subsidiary had loan from bank in facilities Baht 208 million in order to purchase land with construction (Cha-am Project) in amount of Baht 128 million with interest rate at MLR-0.25% per annum for the 1st – 2nd year and at MLR% per annum for the 3rd year onwards, through 120 monthly installments. The loan is graced for principal payment for the first 18 installments. The loan repayment is started in August 2011 and will be completed in January 2020.

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

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

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

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

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

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

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

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

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

- On September 13, 2018, the subsidiary, Zeer Property Plc., entered into the long-term loan agreement with the financial institution amount of Baht 480 million for purchase of land and hotel in USA dividing into:

- The credit line of Baht 280 million, with interest of MLR - 2.125% per annum for the first three years and MLR - 1.625% per annum for the fourth - fifth years and MLR - 1.125% per annum for the sixth - tenth years. The principal is paid on quarterly basis (38 installments) starting the first installment repayments in 9th month from the date of the agreement and its interest is paid on monthly basis. The repayments must be completed within 10 years from the date of the agreement.

- The credit line of Baht 200 million with the interest rate at MLR - 2.125% per annum. The repayment must be completed within 3 years from the date of the agreement.

Long-term loan is guaranteed by land with construction of the subsidiary and land with its construction (Cha-am Project) and the Company and subsidiary, a subsidiary in oversea and some directors of the Company and the subsidiary.

Under the term of the loan agreement, the subsidiary has to maintain the D/E Ratio not exceed 2.7:1 and DSCR Ratio not lower than 1.25:1.

20.5 On December 19, 2017, the subsidiary, Spa Hotel Co., Ltd entered a long-term loan facility agreement with a financial institution in the amount of Baht 111 million for renovation of the construction, furnishings, equipment and other expenses in amount of Baht 100 million, and for the purchase of land with construction in the amount of Baht 11 million.

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

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

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

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

20.6 On July 1, 2018, the subsidiary, ZEER OVERSEA LLC., has entered into the long-term loan agreement with an overseas financial institution in facility of USD 3.8 million for the repayment of short-term loan, with the interest rate at LIBOR (1 month) + 2.15% per annum. The repayment of principal and its interest is made on monthly basis (60 installments). The loan repayment is started in July 2018 and will be completed within July 3, 2023.

Long-term loan is guaranteed by land with construction of Glendale & Glenhurst Project and some directors of the subsidiary.

The Company and its two subsidiaries, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd., mortgaged land and 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 as collateral and the guarantee from related companies and some directors of the Company and of the subsidiaries for the Company's facilities from bank of Baht 1,470 million, Asia Pattaya Hotel Co., Ltd.'s facilities of Baht 220 million, Asia Airport Hotel Co., Ltd.'s facilities of Baht 150 million and Zeer Property Plc.'s facilities of Baht 688 million.

A subsidiary, Zeer Property Plc., mortgages an investment properties of Zeer Rungsit Complex, land with its construction (Cha-am Project), leasehold right (sub-contract) of Zeer Rungsit Complex, and has the guarantee from related companies, related persons and some directors of Zeer Property Plc. as collateral for its loans from bank in facilities of Baht 2,058 million.

A subsidiary, Spa Hotel Co., Ltd., mortgaged its and with construction and has guarantee by some directors of Spa Hotel Co., Ltd. as collateral for its loans from bank in facilities of Baht 111 million.

21. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS – NET

Liabilities under financial lease agreements - net as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statement	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Due not later than one year				
Minimum payments	1,575	1,560	296	281
Deferred interest	(126)	(205)	(9)	(24)
Liabilities under financial lease – net	<u>1,449</u>	<u>1,355</u>	<u>287</u>	<u>257</u>
Due later than one year but not later than three years				
Minimum payments	1,438	3,012	-	296
Deferred interest	(47)	(172)	-	(9)
Liabilities under financial lease – net	<u>1,391</u>	<u>2,840</u>	<u>-</u>	<u>287</u>
Net book value of vehicles				
under finance leases agreements	<u>3,569</u>	<u>4,838</u>	<u>447</u>	<u>695</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.

22. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements of the present value of non-current provisions for employee benefit for the years ended December 31, 2018 and 2017 are as follows:

	Unit: Thousand Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statement	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Non-current provisions for				
employee benefit at beginning of year	74,754	68,859	36,145	34,023
Included in profit or loss:				
Current service cost	9,289	8,539	3,443	3,302
Interest cost	1,676	1,596	837	789
Benefit paid during the year	(3,361)	(4,240)	(1,561)	(1,969)
Non-current provisions for				
employee benefit at end of year	82,358	74,754	38,864	36,145

Employee benefit expenses in profit or loss for the year ended December 31, 2018 and 2017, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2018	2017	2018	2017
Cost of sales	5,152	6,021	2,267	2,181
Selling expenses	185	53	-	-
Administrative expenses	5,628	4,061	2,013	1,910
Total employee benefit expenses	10,965	10,135	4,280	4,091

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

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

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

Principal actuarial assumptions as at December 31, 2018 and 2017 (represented by the weighted-average) consisted of:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.32-2.46 %	2.32-2.46 %	2.32%	2.32%
Salary rate increases in the future	4-5%	4-5%	4%	4%
Mortality rate	100% of Thai Mortality Ordinary Tables of 2008		100% of Thai Mortality Ordinary Tables of 2008	
Turnover rate				
Monthly employees				
Under 31 years old	19-36%	19-36%	25%	25%
31 - 40 years old	14-20%	14-20%	17%	17%
41 - 50 years old	8-14%	8-14%	8%	8%
51 - 55 years old	6-7%	6-7%	7%	7%
Above 55 years old	0%	0%	0%	0%
Daily employees				
Under 31 years old	38-46%	38-46%	38%	38%
31 - 40 years old	33-46%	33-46%	33%	33%
41 - 50 years old	24-30%	24-30%	24%	24%
51 - 55 years old	14-23%	14-23%	23%	23%
Above 55 years old	0%	0%	0%	0%
Retire	60 years	60 years	60 years	60 years

The result of sensitivity analysis for significant assumptions that affect the present value of the non-current provisions for employee benefit as at December 31, 2018 are summarized below:

Unit: Thousand Baht

	Change of the present value of the non-current provisions for employee benefit			
	Increase (Decrease)			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,955)	4,449	(1,723)	1,932
Salary rate increases in the future	5,410	(4,877)	2,195	(1,993)
Turnover rate	(4,281)	2,344	(1,855)	966

On December 13, 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Group is in the process of evaluating the impact to the financial statements when the law is effective.

23. GUARANTEE FOR RENTAL

Guarantee for rental as at December 31, 2018 and 2017 are as follows:

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Asia Hotel Plc.	12,340	11,742	12,340	11,742
Asia Airport Hotel Co., Ltd.	722	576	-	-
Asia Pattaya Hotel Co., Ltd.	177	195	-	-
Zeer Property Plc.	151,922	151,782	-	-
Total	165,161	164,295	12,340	11,742

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

24. DEFERRED REVENUE – LEASEHOLD RIGHTS ON LEASED AREA

Deferred revenue – leasehold rights on leased area as at December 31, 2018 and 2017 are as follows:

	Unit: Thousands Baht	
	Consolidated financial statements	
	December 31, 2018	December 31, 2017
Deferred income - leasehold rights on lease area	220,195	220,195
<u>Less</u> Accumulated amortization	(194,608)	(187,975)
Deferred income - leasehold rights on lease area	25,587	32,220
<u>Less</u> Current portion	(7,682)	(7,682)
Net	17,905	24,538
Deferred income is recognized as revenue as follow :		
Within 1 year	7,682	7,682
Over 1 year but not over 5 years	17,905	23,605
Over 5 years	-	933
Total	25,587	32,220

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. recognised the deferred income - leasehold rights on leased area, as income using the straight-line method over 21-28 years as per lease agreement period.

25. SHARE CAPITAL

	Number of authorized share capital	Number of issued and paid-up share capital	Common shares Unit: Thousands Baht
At December 31, 2016	50,000,000	32,000,000	320,000
Issue of shares	-	-	-
At December 31, 2017	50,000,000	32,000,000	320,000
Change in par value from Baht 10 per share to Baht 1 per share	450,000,000	288,000,000	-
Issue of shares	-	-	-
At December 31, 2018	500,000,000	320,000,000	320,000

As at December 31, 2018, the total authorized number of common share is 500 million shares (December 31, 2017: 50 million shares) with a par value of Baht 1 per share (December 31, 2017: Baht 10 per share). The issued and fully paid-up common shares is 320 million shares (December 31, 2017: 32 million shares).

According to the Annual Shareholders' Meeting No. 56 held on April 23, 2018, the shareholders passed the resolution to change of the par value of common shares of the Company from Baht 10 per share, totaling 50 million shares, to Baht 1 per share, totaling 500 million shares by splitting 1 common share at a par value of Baht 10 per share into 10 common shares at a par value of Baht 1 per share, and approved a change of the Company's memorandum of association to accord with such change in the par value of the Company's shares. The Company registered the change in the par value with the Ministry of Commerce on May 7, 2018.

26. LEGAL RESERVE

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

27. DEIVIDEND PAYMENTS

According to the Board of Director meeting No. 12/2018 held on November 13, 2018, the Board approved to pay an interim dividend for operating result from January 1, 2018 to June 30, 2018 at the rate of Baht 0.10 per share of 320 million shares totaling Baht 32 million. The shareholders' names who have right to receive dividend were on November 29, 2018. The dividend was paid on December 12, 2018.

According to the Annual Shareholders' Meeting No. 56 held on April 23, 2018, the shareholders passed the resolution to pay dividend for operating result from January 1, 2017 to December 31, 2017 at the rate of Baht 1.85 per share of 32 million shares totaling Baht 59.20 million. The Company paid interim dividend at the rate of 0.60 Baht per share totaling Baht 19.20 million on December 12, 2017. Therefore, the remaining dividend to be paid at the rate of Baht 1.25 per share amounted of Baht 40 million which was paid on May 22, 2018.

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

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

28. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018, the Company and subsidiaries had the commitments and contingent liabilities, as follows:

28.1 Letters of guarantee issued by banks are as follows:

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

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

28.1.3 Subsidiary – Zeer Property Plc. and subsidiary: in the amount of Baht 18.71 million.

28.1.4 Subsidiary – Asia Airport Hotel Co., Ltd.: in the amount of Baht 1.26 million.

28.2 The Company guarantees liabilities of its two subsidiaries in the amount of Baht 1,609.50 million.

28.3 The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of Baht 2,377 million.

28.4 The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and two subsidiaries in the amount of Baht 2,745 million.

28.5 The subsidiary - ZEER OVERSEA LLC. guarantees liabilities of the subsidiary, Zeer Property Plc. in the amount of Baht 960 million

28.6 The subsidiary - Zeer Property Plc. has credit line for foreign exchange of Baht 480 million from a bank which has not been withdrawn yet.

28.7 The subsidiary - Zeer Property Plc. has obligation to pay for construction project in the future as at December 31, 2018 in the amount of Baht 43.24 million.

28.8 The subsidiary - Spa Hotel Co., Ltd. has obligation to pay for construction project of hotel and shopping complex at Chiang Mai in the future as at December 31, 2018 in the amount of Baht 46.67 million.

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

	Unit: Thousands Baht
Payable within	Consolidated financial statements
Due within one year	34,389
Due over one year but not later than five years	96,572
Due over five years	363,610
Total	494,571

29. INFORMATION BY SEGMENT

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

The financial information of the Company and its subsidiaries by segment, for the year ended December 31, 2018 and 2017 are as follows:

	Unit: Thousand Baht											
	Domestics						Oversea				Total	
	Room		Food and beverage		Rental and services		Room		Rental and services			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income from hotel business	471,045	439,014	259,953	271,137	-	-	9,302	-	-	-	740,300	710,151
Cost of hotel business												
Cost of hotel business	(232,128)	(217,760)	(213,213)	(214,069)	-	-	(5,633)	-	-	-	(450,974)	(431,829)
Depreciation - Revaluation surplus of assets	(17,170)	(16,976)	(4,528)	(4,484)	-	-	-	-	-	-	(21,698)	(21,460)
Income from rental and service	-	-	-	-	571,323	585,992	-	-	24,448	24,264	595,771	610,256
Cost of rental and service												
Cost of rental and service	-	-	-	-	(419,526)	(397,644)	-	-	(11,602)	(9,479)	(431,128)	(407,123)
Depreciation - Revaluation surplus of assets	-	-	-	-	(65,459)	(62,763)	-	-	-	(300)	(65,459)	(63,063)
Gross profit	221,747	204,278	42,212	52,584	86,338	125,585	3,669	-	12,846	14,485	366,812	396,932

	Unit: Thousand Baht											
	Domestics						Oversea				Total	
	Room		Food and beverage		Rental and services		Room		Rental and services			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Others income											85,273	260,377
Profit before expense											452,085	657,309
Selling expenses											(66,642)	(64,523)
Administrative expenses											(244,678)	(232,800)
Loss on Goodwill impairment											(4,904)	-
Loss from fixed assets revaluation											-	(50,754)
Management benefit expenses											(15,804)	(14,875)
Directors' remuneration											(4,486)	(3,428)
Reversal of provision for doubtful debt (Doubtful debt)											(4,065)	1,877
Financial cost											(105,062)	(113,564)
Profit before income tax											6,444	179,242
Income tax expense											(3,774)	(17,662)
Net profit for the year											2,670	161,580
Attributable to												
Equity holders of the parent											3,064	153,449
Non-controlling interests											(394)	8,131
											2,670	161,580

Segment information on geographic of the Company and subsidiaries as at December 31, 2018 and 2017 were as follows:

	Unit: Thousands Baht					
	Domestics		Overseas		Total	
	2018	2017	2018	2017	2018	2017
Investment properties - net	60,160	63,888	-	-	60,160	63,888
Property, plant and equipment - net	8,486,728	8,413,068	706,831	243,032	9,193,559	8,656,100
Total assets	8,934,809	9,036,841	741,431	263,005	9,676,240	9,299,846

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, 2018 and 2017 in amount of Baht 8.15 million and Baht 7.82 million, respectively in consolidated financial statements and Baht 3.63 million and Baht 3.54 million, respectively in separate financial statements.

31. OTHER INCOME

Other income for the years ended December 31, 2018 and 2017 are as follows:

	Unit : Thousands Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Health club and car parking	4,951	5,216	3,812	3,719
Rental, service and electricity	54,873	53,748	47,882	47,291
Gain on exchange rate	759	739	681	634
Gain from sale of assets	104	180	101	18
Gain on compensation from insurance claim	4,481	180,962	-	-
Others	20,104	19,532	5,244	4,946
Total	85,272	260,377	57,720	56,608

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

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

On December 6, 2017, the Civil Court read the Supreme Court Order. The Supreme Court, according to its Order dated July 4, 2017, dismissed the defendant's petition. Therefore, the two insurance companies must comply with the judgment of the Court of Appeals. As a result of the litigation, the subsidiary recorded gain on compensation from insurance claim in the amount of Baht 124.99 million and interest from compensation on an insurance claim of Baht 54.79 million as other income in the consolidated statement of profit or loss for the year ended December 31, 2017 and recorded interest income from compensation on an insurance claims of Baht 2.98 million in the consolidated statement of profit or loss for the year ended December 31, 2018. The subsidiary has received in full amount of insurance compensation on April 10, 2018.

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	
	2018	2017	2018	2017
Salaries, wages and other benefits for	425,884	404,870	171,722	167,249
Depreciation	191,743	181,196	43,704	43,393
Depreciation - Revaluation surplus	87,156	84,523	7,130	7,130
Change in inventories	1,086	(451)	(394)	(42)
Electricity and water	219,546	205,175	33,706	33,232
Cost of foods and beverage	88,762	91,220	46,116	48,623
Repair and maintenance	64,638	49,625	11,723	12,072
Advertising and sale promotion	27,875	26,367	11,606	10,250
Property tax	25,302	24,741	8,791	8,740

33. BASIC EARNINGS PER SHARE

The effect of the change of par value of the Company's common shares as mentioned in Note 25 resulted in changes in the weighted average number of common shares and the basic earnings per share for the consolidated and separate financial statements for the year ended December 31, 2017.

Such basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of common shares issued during the year. The number of common shares of the prior year was adjusted as if the change of par value of common shares had been incurred at the beginning of the earliest period reported.

Weighted average number of common shares for the year ended December 31, 2017 was changed due to the change of par value of common shares as follows:

	Unit: Shares	
	Consolidated and Separate financial statements	
	Before adjustment	After adjustment
Weighted average number of common shares	32,000,000	320,000,000

Basic earnings per share

	Unit: Baht per share			
	Consolidated		Separate	
	financial statements		financial statements	
	Before adjustment	After adjustment	Before adjustment	After adjustment
For the year ended December 31, 2017	4.80	0.48	1.76	0.18

34. 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.

35. 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.

36. 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.

37. FINANCIAL INSTRUMENT

Interest Rate Risk

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

Credit risk

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

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

Fair value of financial instruments

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

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

38. EVENTS AFTER THE REPORTING PERIOD

According to the Board of Director meeting No. 2/2019 held on February 21, 2019, the Board passed the resolution to pay dividend for operating result from January 1, 2018 to December 31, 2018 at the rate of Baht 0.13 per share of 320 million shares totaling Baht 41.60 million. The Company paid interim dividend at the rate of 0.10 Baht per share totaling Baht 32 million on December 12, 2018. Therefore, the remaining dividend will be at the rate of Baht 0.03 per share in the amount of Baht 9.60 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on February 21, 2019.

Details of Directors as of December 31, 2018

Attachment 1

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
1. Mr.Piyawudh Senapoopitaksa Chairman (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 90 years. As director since year 1968.	Certificate of Life Insurance Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	266,660 (0.08%)	-none-	14 Mar 2018 - Present Chairman of the Board, Asia Hotel Public Company Limited. Jan 2010 - Present Nomination and Remuneration Committee Member, ASIA May 1999- Present Audit Committee Member, Asia Hotel Public Company Limited. 1992 - Aug.2013 Director, Asia Airport Hotel Co.,Ltd. 1972 - Aug.2013 Director, Asia Pattaya Hotel Co.,Ltd. 1968 - Present Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year				1988 - Present Director, A.B.K. Enterprise Co.,Ltd Aug.2013 - Present Advisor to MD, Asia Airport Hotel Co.,Ltd. Aug.2013 - Present Advisor to MD, Asia Pattaya Hotel Co.,Ltd.	Holding Company Hotel & Rest. Hotel & Rest.
2. Dr. Amorn Techaruvichit Authorized Director Vice Chairman, Age 72 years As director since year 1981	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.	700,000 (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				1988 - Present Chairman, A.B.K. Enterprise Co.,Ltd.	Holding Company
3. Mr.Surapong Techaruvichit Authorized Director Execitive Director Managing Director Appointed on 18 February,2014 Age 60 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.	2,266,660 (0.71%)	Son of Mrs.Suvimol Elder brother of Mrs.Pornpu and Mrs.Oyetip Father of Miss Patcha Techaruvichit	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				2017 - Present Board Member, National Tourism Policy Board, Ministry of Tourism & Sports 2016 - Present Board Member, Poh Teck Tung Foundation 2016 - Present Board Member, Council of Huachiew Chalermprakiet University 2003 - Present Vice President, Thailand Hotel Standard Foundation 1989 - Present Director, Pamatoy Co., Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd.	Tourism Manufacture Holding Company

Details of Directors as of December 31, 2018 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
4. Mrs.Pornpun Tanariyakul Authorized Director Executive Director Deputy Managing Director As director since year 2000 Age 59 years	Bachelor Degree in Accounting and MBA, Chulalongkorn University Certificate of Attendance DAP # 6/2003 from IOD.	35,727,750 (11.16%) Mrs.Pornpun = 34,723,750 shares Spouse=1,004,000 shares	Dauther of Mrs.Suvimol Techaruvichit Younger sister of Mr.Surapong and elder sister of Mrs.Oyetip Hayrabut	Feb.2014 - Present Deputy Managing Director , ASIA Hotel Public Company Limited Deputy Managing Director , Asia Pattaya Hotel Co., Ltd. Deputy Managing Director , Asia Airport Hotel Co., Ltd. April.2000 - Present Director and Executive Director , ASIA Hotel Public Company Limited 1992 -Feb.2014 Asst. Managing Director,Asia Airport Hotel Co., Ltd. 1988 - Feb.2014 Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1988 - Present Director, A.B.K. Enterprise Co.,Ltd. 2003 - Present Managing Director , Pamatoy Co., Ltd. 2014 - Present Director, Namseng Insurance Public Company Limited.	Holding Company Manufacture Insurance
5. Mrs.Suvimol Techaruvichit Director Age 86 years As director since year 1966	Certificate in Commerce and Accountancy Certificate of Attendance DAP # 7/2004 from IOD.	5,619,960 (1.76%)	Mother of Mr.Surapong, Mrs.Pornpun and Mrs. Oyetip	1992- Present Director, Asia Airport Hotel Co.,Ltd. 1972 - Present Director, Asia Pattaya Hotel Co.,Ltd. 1966 - Present Director, Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1989 - Present Chairman, Pamatoy Co.,Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd.	Manufacture Holding Company
6. Mr.Sombut Pupipathirunkul Director (Independent Director) Audit Committee Member and Nomination and Remuneration Committee Chairman Age 80 years. As director since year 1989.	Bachelor Degree in Economics Thammasart University Certificate of Attendance DAP # 6/2003 , FSD # 4/2009 from IOD.	529,990 (0.16%) Mr.Sombut = 497,990 shares Spouse = 32,000 shares	-none-	Jan 2010 - Present Nomination and Remuneration Committee Chairman, ASIA May 1999- Present Audit Committee Member, Asia Hotel Public Company Limited. 1992 - Aug.2013 Director, Asia Airport Hotel Co.,Ltd. 1989 - Present Director, Asia Hotel Public Company Limited .	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - Company Advisor - subsidiary company				1996 - Present Director, A.B.K. Enterprise Co.,Ltd Aug.2013 - Present Advisor to MD., Asia Airport Hotel Co.,Ltd.	Holding Company Hotel & Rest.

Details of Directors as of December 31, 2018 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
7. Mr.Suwat Dusitrojnanawongse - Director (Independent Director) Audit Committee Chairman - Nomination and Remuneration Committee Member Age 73 years. As director since year 1989.	Bachelor Degree in Economics Kinki University, Japan Certificate of Attendance DAP # 7/2004 , FSD # 4/2009 from IOD.	850,000 (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 Director - Company Advisor - subsidiary company				Feb 2009 - Present Director, A.B.K. Enterprise Co.,Ltd. 1983 - Present Managing Director, Thepdusit 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 40 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	660 (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 Director - Company				May 2009 - Mar 2017 Director, Nam Seng Insurance Public Company Limited. 2009 - Present Director, N.S.B. Co., Ltd. 2012 - Present Manager, Non-Motor Dep., Nam Seng Insurance Public Company Limited.	Insurance Real Estate Insurance
9. Mrs. Oyetip Hayrabut Deputy to Managing Director Executive Director Age 56 yers. As director since Apr 23 year 2018	Bachelor Degree in Accounting Chulalongkorn University, MBA, Sul Ross States University, U.S.A.	2,040,660 (0.64%)	Dauther of Mrs.Suvimol Younger Sister of Mr. Surapong and Mrs. Pornpun	Apr 2018 - Present Director, Asia Hotel Public Company Limited Feb 2014 - Present Deputy to Managing Director, Asia Hotel Public Company Limited Feb 2011 - Present General Manager, Asia Hotel Public Company Limited 2004 - 2014 Asst. to MD, Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				1996 - Present Director, A.B.K. Enterprise Co., Ltd. 1966 - Present Director, Pamatoy. Enterprise Co., Ltd.	Holding Company Manufacture

Details of Directors as of December 31, 2018 (continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	Type of Business
10. Mr. Polpat Techaruvichit Age 31 yers. As director since Apr 23 year 2018	Bachelor Degree in Business Administration, Mahidol University International College (MUIC), Nakorn Pathom	1,459,000 (46%)	Nephew of Mr. Surapong Techaruvichit Mrs.Suvimol Techaruvichit, Mrs. Pornpun Tanariyakul Mrs.Oyetip Hayrabut	Mar 2018 - Present Director, Asia Hotel Public Company Limited 2017 - Present Asst. to General Manager, Asia Airport Hotel Co., Ltd. 2015 - Present Asst. to Executive Director, Zeer Property Plc. Co., Ltd.	Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year Director - company				2016 - Present Managing Director, Polsirapat Co., Ltd. 2013 - Present Consultant of Rescue and Volunteers Dept. Poh Teck Tung Foundation 2013 - 2014 Sales Executive, Bond L. Corporation Co., Ltd.	
11. Miss. Patcha Techaruvichit Age 29 yers. As director since Apr 23 year 2018	Master of International Business, swiss Hotel Management school, Switzerland Graduate Certificate: International Hotel Management, Blue Mountains Hotel Managemrnt School Australia. Bachelor in communication Arts, Major in New Media Communication Assumption University of Thailand. Course: YECBK Season 1, (Young Entrepreneur Chamber of Commerce)	-none-	Nephew of Mr.Surapong Tacharuvichit, Mrs, Pornpun Tanariyakul, Mrs. Oyetip Hayrabut	Mar 2018 - Present Director, Asia Hotel Public Company Limited Jan 2017 - Present Asst. Marketing Manager, Asia Hotel Public Company Limiteda Nov 2016 - Present Board member, Mater Dei Alumnae Association under The Royal Patronage of H.M. The King May 2015 - Dec 2016 Management Traineer, Asia Hotel Plc Co., Ltd. Jun 2015 - Mar 2015 Receptionist INFUZIONI, Australia Apr 2014 - Dec 2014 Supervisor THE THAI AND I, Australia Jan 2014 - Mar 2014 Kitchen Helper, Asia Hotel Plc Co., Ltd Fab 2013 - May 2013 Photographer, General Assistant, MISS UNIVERSE THAILAND	Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year -none-					
12. Miss Sudaratana Wisnuwatanakit Company Secretary Age 60 years	Bachelor Degree in Economics, Chulalongkorn University MBA., Kasetsart University CSDP no. 15/2550 , BRP 4/2010, EMT 18/2010	1,312,600 (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 .	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

DCP = Director Certification Program

FSD = Financial Statement for Directors

ACP = Audit Committee Program

BRP = Board Report Program from IOD

EMT = Effective Minute Taking from IOD

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

Management Team as at December 31, 2018

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 60 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.	2,266,660 (0.71%)	Son of Mrs.Suvimol Elder brother of Mrs.Pornpun and Mrs.Oyetip Father of Miss Patcha Techaruvichit	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				2017 - Present Board Member, National Tourism Policy Board, Ministry of Tourism & Sports 2016 - Present Board Member, Poh Teck Tung Foundation 2016 - Present Board Member, Council of Huachiew Chalermprakiet University 2003 - Present Vice President, Thailand Hotel Standard Foundation 1989 - Present Director, Pamatoy Co., Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd.	Tourism Manufacture Holding Company
2. Mrs.Pornpun Tanariyakul Authorized Director Executive Director Deputy Managing Director As director since year 2000 Age 59 years	Bachelor Degree in Accounting and MBA, Chulalongkorn University Certificate of Attendance DAP # 6/2003 from IOD.	35,727,750 (11.16%) Mrs.Pornpun = 34,723,750 shares Spouse=1,004,000 shares	Dauther of Mrs.Suvimol, younger sister of Mr.Surapong elder sister of Mrs.Oyetip	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				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
3. Mrs. Oyetip Hayrabut Deputy to Managing Director Age 56 years	Bachelor Degree in Accounting Chulalongkorn University, MBA, Sul ross States University, U.S.A.	2,040,660 (0.64%)	Dauther of Mrs.Suvimol, Younger Sister of Mr.Surapong and Mrs.Pornpun	Feb.2014 - Present Deputy to Managing Director, Asia Hotel Public Company Limited 1Feb.2009 - Dec.2011 Acting General Manager , Asia Hotel Plc Co.,Ltd. June.2004 - Present Asst.to Managing Director , Asia Hotel Public Company Limited	Hotel & Rest. Hotel & Rest. Hotel & Rest.
Current position in other organization in previous year				1989 - Present Director , Pamatoy Co., Ltd. 1996 - Present Director, A.B.K. Enterprise Co.,Ltd.	Manufacture Holding Company

Management Team as at December 31, 2018 (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 39 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 55 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, Nakornchasima	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 47 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 50 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 64 years	High school Wat Sawadiwareesimaram School	66,660 (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, 2018 (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 52 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 Patcharane Techaruvichit Asst. HR Manager Age 39 years	Master of Business Administration (HRM) Thammasat University	500,000 (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 38 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 61 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 73 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-					

Company Name Name of Directors		ASIA	Subsidiaries		
			AP	AA	ZP
1. Mr. Piyawudh	Senapoopitaksa	X			
2. Mr. Amorn	Techaruvichit	/	/, //	/, //	
3. Mr. Surapong	Techaruvichit	/, //	/, //	/, //	
4. Mrs. Suvimol	Techaruvichit	/	/	/	
5. Mr. Sombut	Pupipathirunkul	/			
6. Mr. Suwat	Dusitrojanawongse	/			
7. Mrs. Pornpun	Tanariyakul	/, //	/, //	/, //	
8. Dr. Chotima	Puasiri	/			
9. Mrs. Oyetip	Hayarabut	/, //			
10. Mr. Polpat	Techaruvichit	/			
11. Miss. Patcha	Techaruvichit	/			
12. Pol.Maj.Gen Supchan Mnutham					X
13. Mr. Surapol	Techaruvichit				/, //
14. Mr. Tosapol	Vachiradaecha				/, //
15. AM Choomsak	Sakulratana				/
16. Gen. Tawatchai	Boonsri				/
17. Mr. Anant	Gatepithaya				/
18. Mr. Somboon	Fusriboon				/
19. Mr. Grish	Attagrish				/
20. Mr. Surayuth	Panchavinin				/
21. Miss Aree	Sayasaeevee				/, //
22. Mr. Ekachai	Pattaranutaporn				/, //

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

Details about the head of the internal audit and the supervisor of the company's operations (Compliance)

Details of the head of Internal Audit

- | | | | | | | | | | |
|--------------------|---|-------------|------------|-----------------|----------------|-------------------|----------------------------------|--------------------|------------------------|
| 1. Name | Mrs. Linda Rungfangam | | | | | | | | |
| 2. Age | 59 years | | | | | | | | |
| 3. Education | Bachelor's Degree in Graduate Studies (B.Ed.) PhD in Accounting Education Business, Srinakharinwirot Prasarnmit University | | | | | | | | |
| 4. Experience | Start working with the company since 1983 - present in the following Positions
<table border="0" style="margin-left: 20px;"> <tr> <td>1983 - 2002</td> <td>Accountant</td> </tr> <tr> <td>2003 - Oct 2012</td> <td>Credit Manager</td> </tr> <tr> <td>Jan 2012-Sep 2012</td> <td>Assistant Internal Audit Manager</td> </tr> <tr> <td>Oct 2012 – Present</td> <td>Internal Audit Manager</td> </tr> </table> | 1983 - 2002 | Accountant | 2003 - Oct 2012 | Credit Manager | Jan 2012-Sep 2012 | Assistant Internal Audit Manager | Oct 2012 – Present | Internal Audit Manager |
| 1983 - 2002 | Accountant | | | | | | | | |
| 2003 - Oct 2012 | Credit Manager | | | | | | | | |
| Jan 2012-Sep 2012 | Assistant Internal Audit Manager | | | | | | | | |
| Oct 2012 – Present | Internal Audit Manager | | | | | | | | |

5. Head of the Compliance Department is responsible for being the center of business supervision of the Company and its subsidiaries. (In the hotel business group, Asia Pattaya Hotel Co., Ltd. and Asia Airport Hotel Co., Ltd.) prepare a short-term, long-term audit plan, divided each segment thoroughly. To comply with laws, rules, regulations, policies and requirements of relevant authorities such as the SEC Office, Revenue Department, other government agencies. The Board of Directors has approved the internal audit charter, specify the scope of authority in the audit as well as the procedure of inspection, in compliance with the rules (Compliance Policy) by requiring the Board of Directors, Audit Committee, senior manager Department or department and employees must comply with the law. Including having communication with employees, realizing that every employee has a duty and responsibility for studying and understanding the law, including the rules and regulations involved in the work that is responsible and practice correctly in strict accordance with the rules.

Supervisor of the company's operations (Compliance) -None-

Details about the property appraisal list

- No property appraisal in 2018 -

Other related information

1. Change of shareholding in a subsidiary (ZP)

On December 22, 2005, the Company held shares in a subsidiary company, Zeer Property Company Limited (ZP), with a proportion of 73.98 percent of the registered capital of 400 million baht. Later, ZP has a special resolution to reduce registered capital to 100 million baht and registered with the Department of Business Development on 18 May 2007.

Later, the ZP subsidiary has a special resolution to increase the registered capital of the subsidiary to 400 million baht by approving the increase of 3 million ordinary shares. In June 2007, the company acquired all such shares, causing the company to hold shares in the subsidiary ZP increasing by 93.50% of the registered capital and has notified the Ministry of Commerce on 28 June 2007.

Subsequently, on August 6, 2008, a subsidiary (ZP) registered a capital reduction of Baht 300 million, par value of Baht 100, by reducing the number of shares by 3,000,000 shares, causing the subsidiary (ZP) to have a registered capital of 100 million baht at par 100 baht, 1,000,000 shares, with notification to the Department of Business Development Ministry of Commerce. The company still holds shares in ZP's subsidiary in the same proportion, which is 93.5 percent of the registered capital.

On April 9, 2010, the General meeting of shareholders of ZP passed a special resolution approving the increase of the registered capital of the company for another 125 million baht from the original 100 million baht to 225 million baht by offering newly issued shares to the existing shareholders of the company. The (Right Offering) 1,250,000 shares with a par value of 100 baht per share to repay the debt to related companies.

Subsequently, on April 26, 2010, the Extraordinary General Meeting of Shareholders No. 1/2010, ZP has a special resolution to convert the company from a limited company to a public company. The amendment of objectives, number of shares, par value, Increase registered capital as follows:

Name: "Zeer Property Public Company Limited"

Registered capital 300 million baht, 300 million ordinary shares, par value of 1.00 baht per share with a paid-up capital of 225 million baht, 225 million shares with a par value of 1 baht per share, and 75 million shares for offering to ordinary shareholders of Asia Hotel Public Company Limited and to the public and the general public (IPO).

2. The extension of the land lease agreement with the additional building of the subsidiary “ZP”

In August 2007, the Extraordinary General Meeting of Shareholders of the Company “ASIA” considered and approved the connected transaction, namely the extension of the land and building lease agreement and to lease additional land between Zeer Property Public Company Limited "Tenant" (subsidiary) and Don Muang Grand Plaza Company Limited "Lessor" (related company) as well The transfer of the land of Asia Airport Hotel Co., Ltd. (subsidiary) to Don Muang Grand Plaza Co., Ltd.

Subsequently, on 16 October 2007, the ZP (subsidiary) registered the renewal of the land lease agreement for an area of 86 rai 1 ngan 59 square wah, consisting of 78 rai 1 piece of land with construction of 25 years (starting 1 April 2023, ending 31 March 2048) and land area on an area of 8 rai 59 square wah, duration of 29 years 7 months (starting September 1, 2007, ending March 31, 2037) and the period of 11 years (starting April 1, 2037, ending March 31, 2048) at the Land Office. As a result, ZP has a contract to lease land and buildings on the land of 86 rai 1 ngan 59 square wah for a period of 40 years and 3 months (from January 2008 to March 31, 2048).

3. Solving cross-shareholding problems of the company and subsidiaries

According to Asia Pattaya Hotel Co., Ltd. (a subsidiary company) holds 2.24 million shares of Asia Hotel Public Company Limited, representing 7 percent at the end of 2009, is a cross shareholding which is announced by the Capital Market Commission Re: Permission to sell new shares of listed companies. If there is a cross shareholding between the listed companies and other companies will not be allowed to offer such securities which the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand ask the company to resolve this cross shareholding issue. Later, during the year 2010-2011, Asia Pattaya Hotel Company Limited sold all of its shares to outsiders. At present, the company does not have cross stock issues.

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

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www.asiahotel.co.th