



ASIA HOTEL GROUP



RATCHAPRUEK



QUALITY INN



PATTAYA



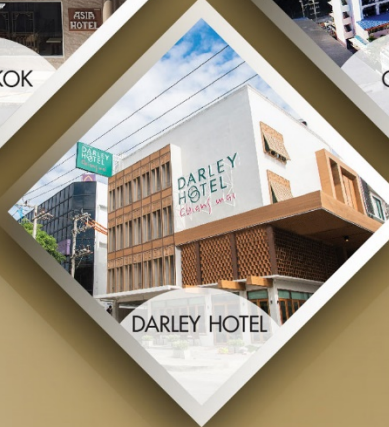
BANGKOK



CHA-AM



AIRPORT



DARLEY HOTEL

ASIA HOTEL GROUP

**ANNUAL REPORT**

**2021**

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## Definition

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

## Message from Chairman

In 2021, Coronavirus (COVID-19) pandemic has spread out across the world. Nowadays, the virus has mutated to Omicron and been prevalent in every country. This also effects to tourism and economy over the world. Thai government announced to halt the event, which gathered large number of people, together with supporting Work from Home program. Early November 2021, government had promulgated to open the country and welcome foreign tourist to Thailand again. There was also government sector economics stimulated scheme by encouraged people spending, leading to a gradually economic recovery.

Asia Hotel Public Company Limited and its subsidiaries business had been impacted from COVID-19 epidemic. Since 2021, customers' purchasing power had decreased and the company could not operate as normal relating to decrease in the hotels business revenue 41.93 percent. Together Zeer Rangsit, which operates shopping center, decreased in revenue 12.95 percent.

The company' director and management have consecutively followed the pandemic situation and decreased unnecessary costs complied with structuring additional income such as:

- ASIA Hotel Ratchatewi operated as Hospitel during August-October 2021.
- ASIA Pattaya Hotel serviced as State Quarantine, Organizational Quarantine and Hospitel since the early 2021 -October 2021. The hotel returned to operate as normal between 21 October -December 2021.
- ASIA Airport Hotel Rangsit had operated its service as Bubble & Seal for a private company.

Even, the company had low earning; however, the company had been able to continually operate business. The company expected COVID-19 pandemic situation will be improved and the economy will be slowly recovering. Last year, management had provided circulating fund from financial institution supporting in the necessity case and impact, which encouraged company to pass through the crisis.

I, as representative ASIA Group director and executive, would appreciate for confidence from shareholders and interested parties in company operating performance all along.



**Piyawudh Senapoopitaksa**  
**Chairman**



# BOARD OF DIRECTOR



นายปิยะวุดน เสนาภู่พิทักษ์  
MR. PIYAWUDH SENAPOOTAKSA  
ประธานกรรมการ (นสรมออส)  
CHAIRMAN (INDEPENDENT DIRECTOR)



นายสุรพล เฒะหะรุวิจิตร  
MR. SURAPOL TECHARUVICHIT  
ประธานเจ้าหน้าที่บริหาร  
CHIEF EXECUTIVE OFFICER



นายสุรพงษ์ เฒะหะรุวิจิตร  
MR. SURAPONG TECHARUVICHIT  
กรรมการผู้จัดการ  
MANAGING DIRECTOR



นางสุวิมล เฒะหะรุวิจิตร  
MRS. SUMMOL TECHARUVICHIT  
กรรมการ  
DIRECTOR



นางพรพรรณ ตันอารียกุล  
MRS. PORNPUN TANARIYAKUL  
กรรมการรองผู้จัดการ  
DEPUTY MANAGING DIRECTOR



นางอ้อยทิพย์ หาราบัตย์  
MRS. OYETIP HAYRABUT  
กรรมการรองผู้จัดการ  
DEPUTY MANAGING DIRECTOR



นายสมบัติ พุฒิพัฒน์ศิริธกุล  
MR. SOMBUT PUPIPATHIRUNKUL  
กรรมการ (นสรมออส)  
DIRECTOR (INDEPENDENT DIRECTOR)



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



นางบุษกร สิริโยธิน  
MRS. RUCHUKORN SIRIYODHIN  
กรรมการ (นสรมออส)  
DIRECTOR (INDEPENDENT DIRECTOR)



พลเอกชานชัย ยศสุนทร  
GEN. CHANCHAI YOSSUNDARA  
กรรมการ (นสรมออส)  
DIRECTOR (INDEPENDENT DIRECTOR)



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



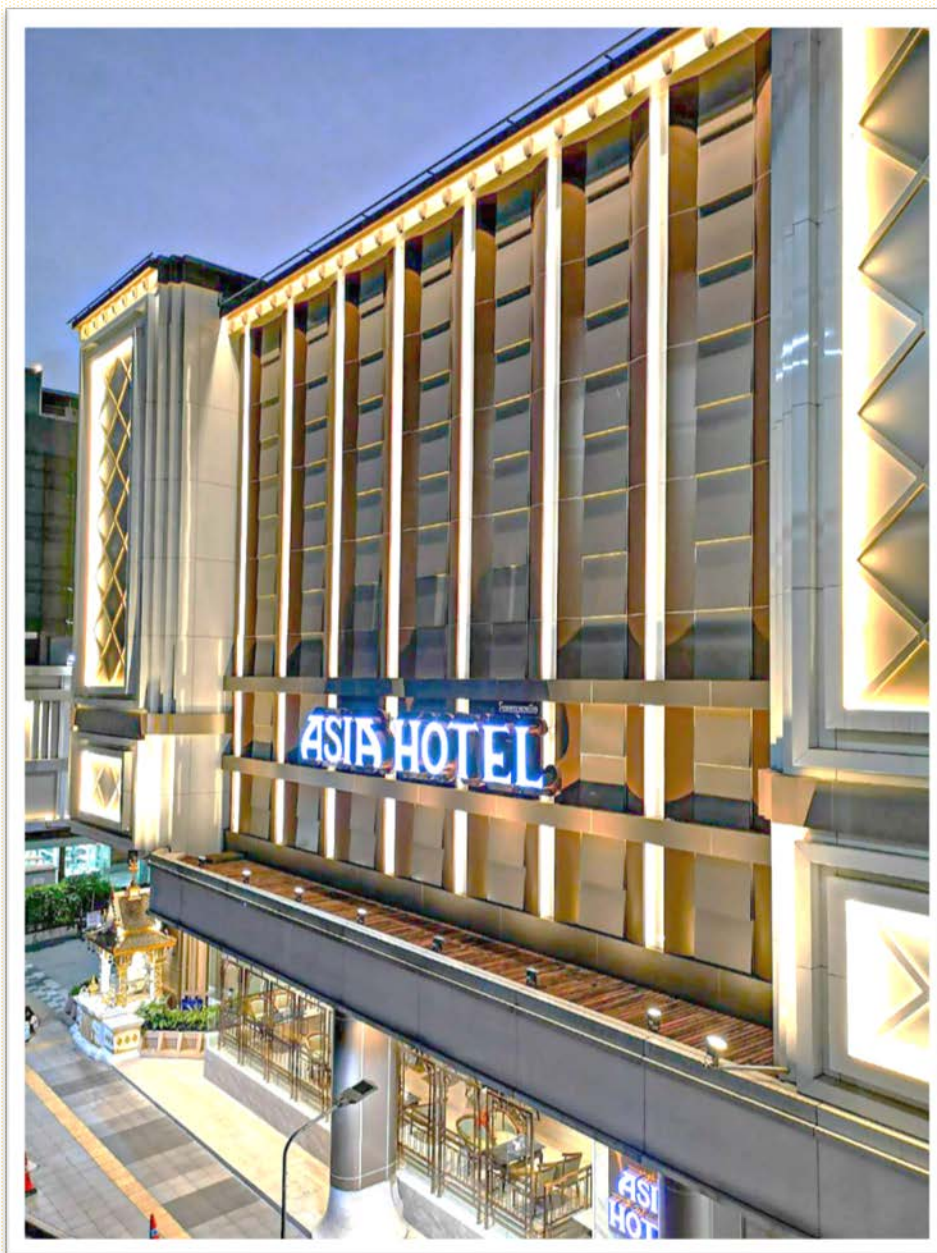
นายพลภัทร์ เฒะหะรุวิจิตร  
MR. POLPAT TECHARUVICHIT  
กรรมการ  
DIRECTOR



นางสาวกัญญา เฒะหะรุวิจิตร  
MISS PATCHA TECHARUVICHIT  
กรรมการ  
DIRECTOR



# ASIA HOTEL BANGKOK

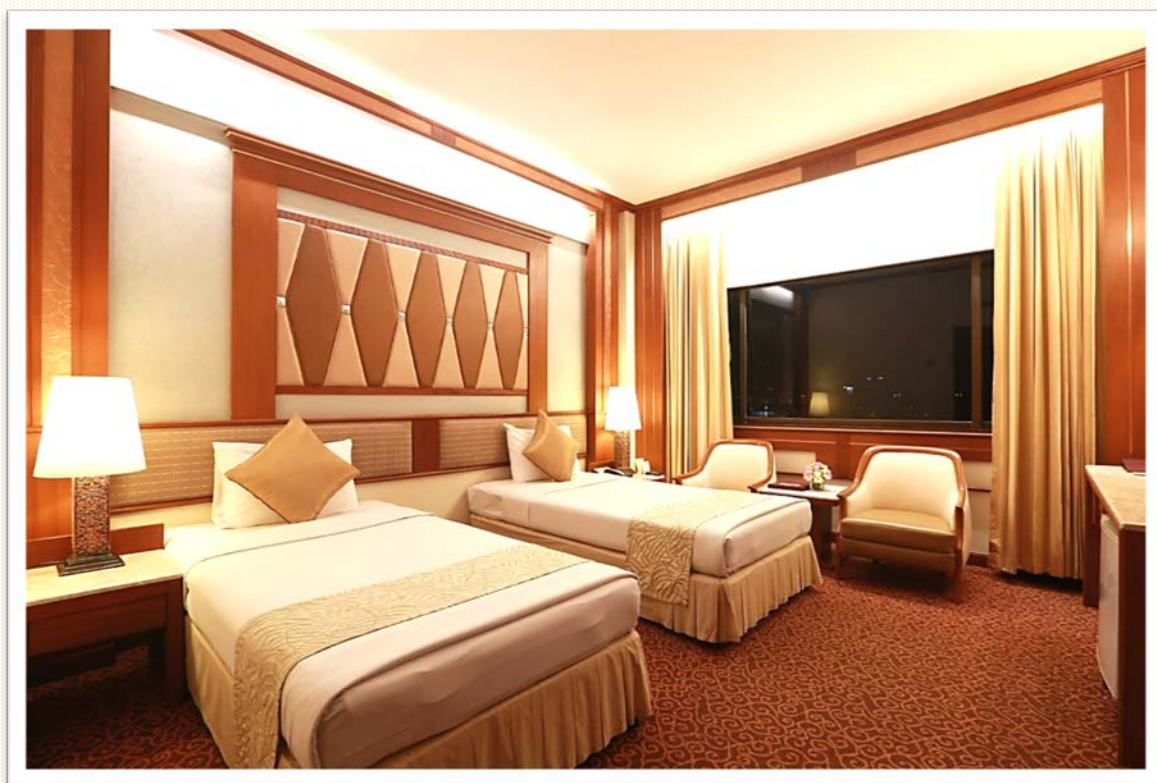
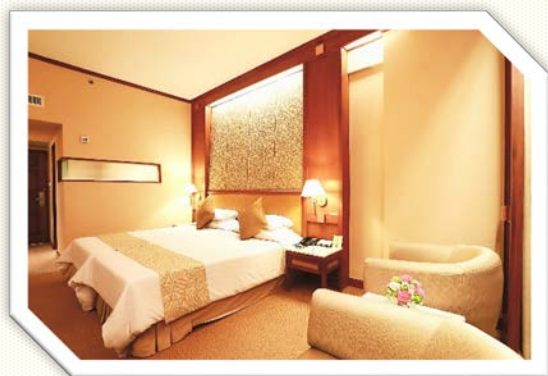
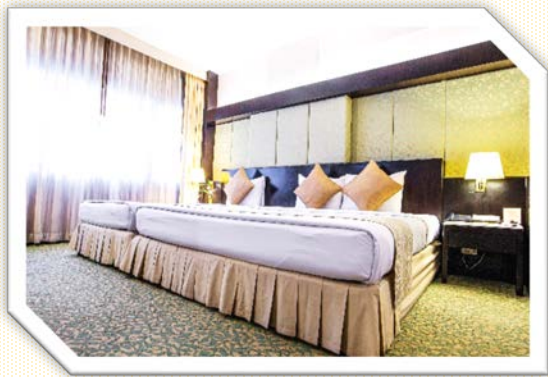


Travelers' popular choice in the heart of Bangkok



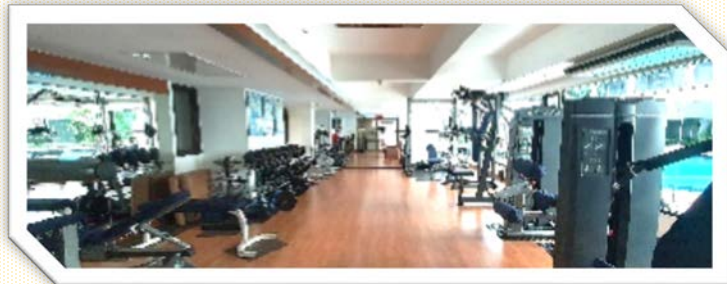
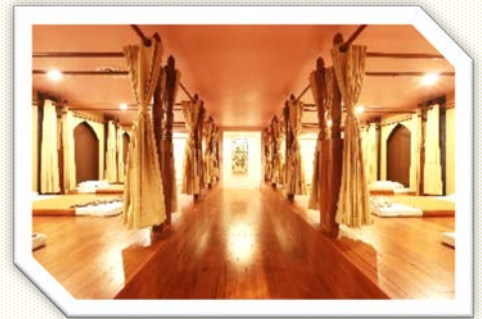
# ACCOMMODATIONS

## ROOM & SUITE

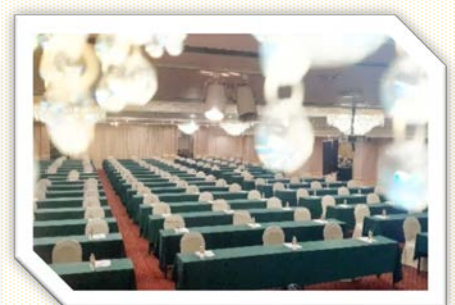


# HOTEL FACILITIES

## HEALTH & LIFESTYLE



## MEETINGS & EVENTS



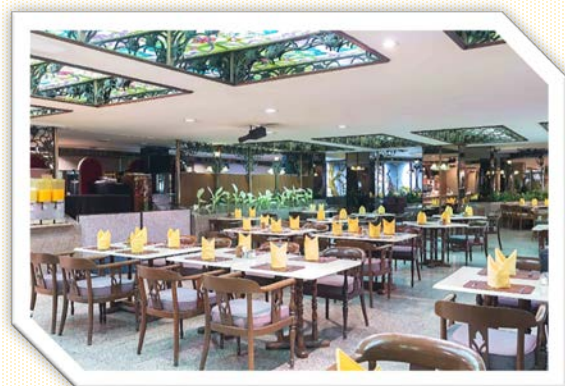


## ASIA HOTEL WEDDING STUDIO



## DINING

### TIVOLI COFFEE SHOP



### SAIGON VIETNAMESE RESTAURANT





# DINING

THE GREATWALL CHINESE RESTAURANT



RIO GRILL BRAZILIAN CHURRASCARIA



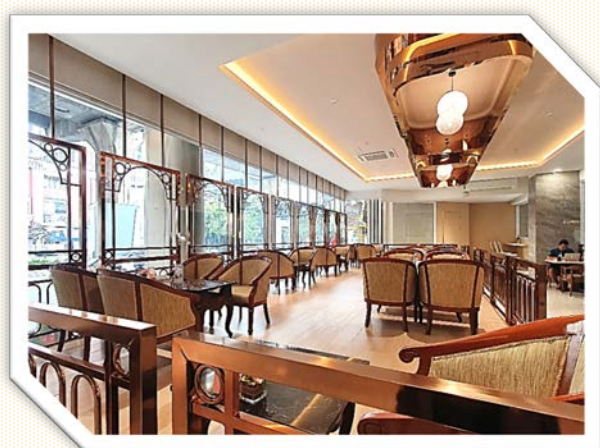
THE CRYSTAL LOBBY BAR



ASIA BAKERY



ASIA GLASSHOUSE



สุปีที่ ๑๔ การบูชารอยพระบาทมงคลธรรม  
ประจำปี พุทธศักราช ๒๕๖๔  
ในวันที่ ๓๐ มกราคม ๒๕๖๔  
Annual Buddhist Ritual Ceremony 2021  
30 January 2021





การจัดกิจกรรมร่วมสนุก เนื่องในเทศกาลตรุษจีน ปี 2564  
ในวันที่ ๑๒ กุมภาพันธ์ ๒๕๖๔  
Activities on the occasion of the Chinese New Year Festival 2021  
12 February 2021



มาตรการการรักษาความสะอาด  
เพื่อป้องกันการแพร่กระจายของไวรัสโคโรนา-19  
วันที่ 30 เมษายน 2564

Cleaning measures to prevent the spread of Corona-19 virus.  
30 April 2021





การตรวจ ATK ให้แก่พนักงาน และผู้ที่เกี่ยวข้อง  
วันที่ 9 พฤศจิกายน 2564  
ATK check for employees and related persons  
9 November 2021



อบรมอพยพหนีไฟ ประจำปี 2564  
วันที่ 3 ธันวาคม 2564  
Fire evacuation training for the year 2021  
3 December 2021







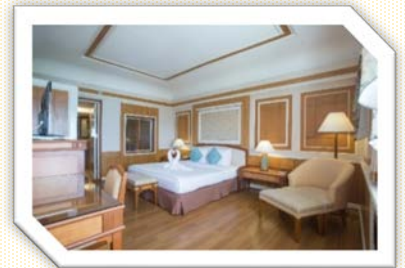
# ASIA PATTAYA HOTEL



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

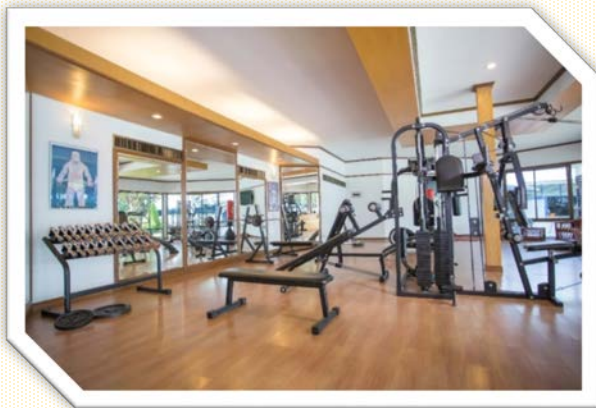
# ACCOMMODATIONS

## ROOM & SUITE



# HOTEL FACILITIES

## HEALTH & LIFESTYLE



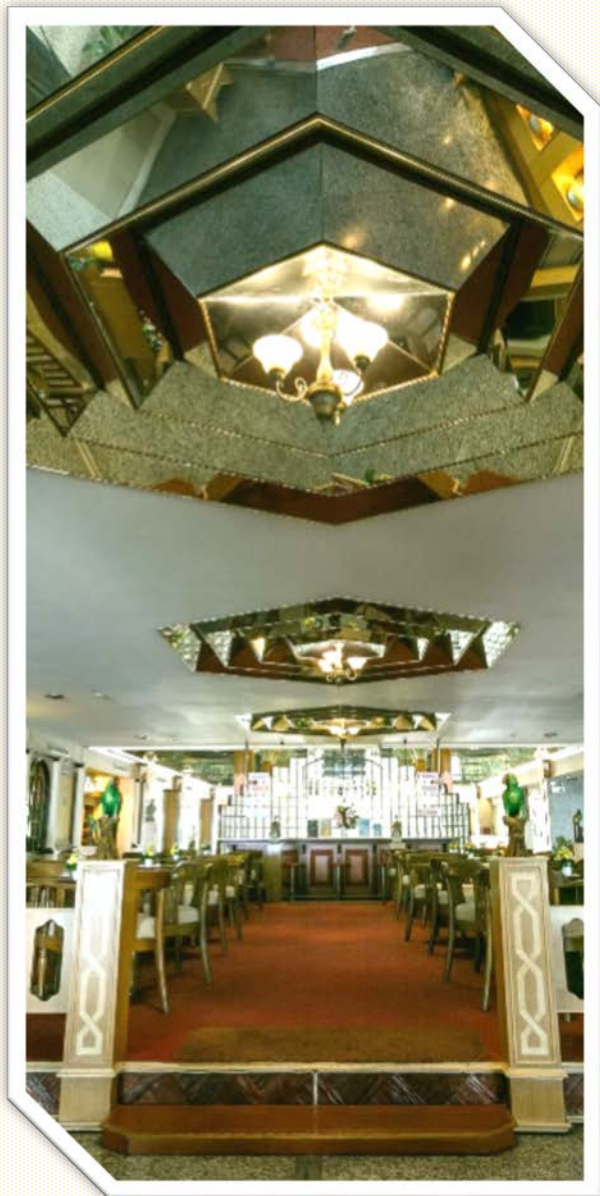


## MEETING & EVENTS



# DINING

## THE DEN LOBBY BAR



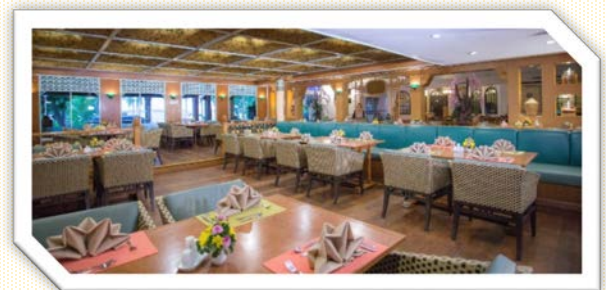
## CLIFFTOP SEAFOOD PAVILION



## GARDEN TERRACE



## THE MORAKOT COFFEE SHOP





# ASIA AIRPORT HOTEL

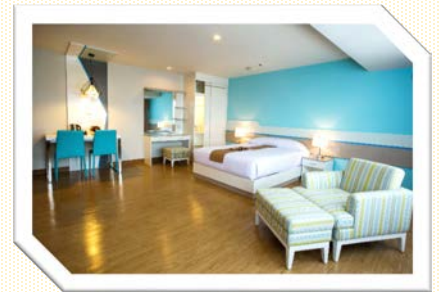


Ideal for Stopover, Transit or the first and last night of a trip



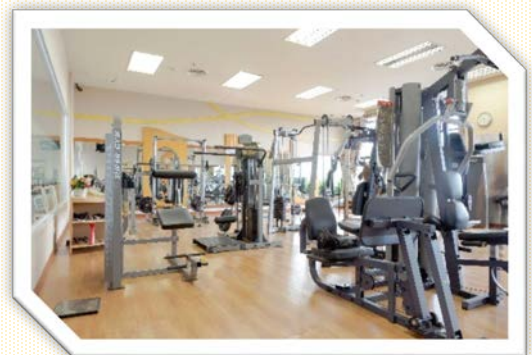
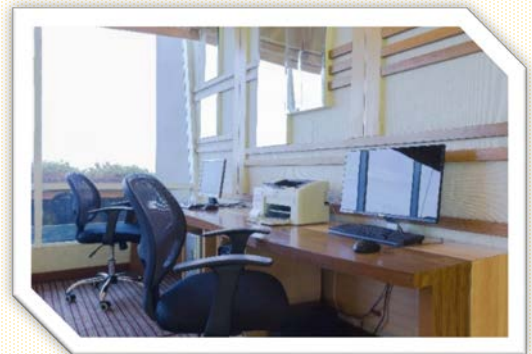
# ACCOMMODATIONS

## ROOM & SUITE



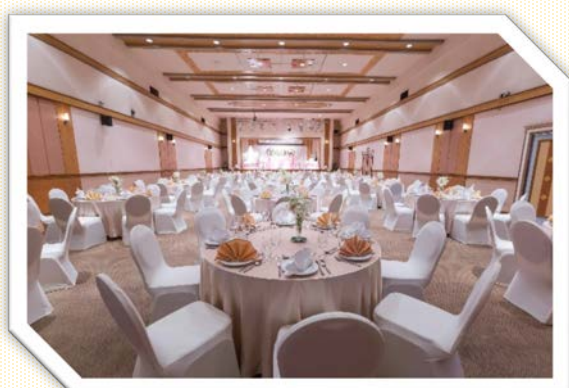
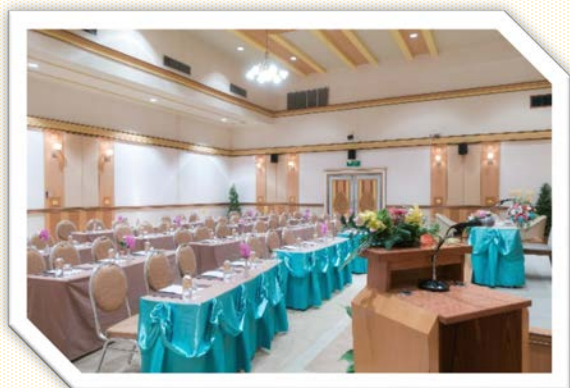
# HOTEL FACILITIES

## HEALTH & LIFESTYLE



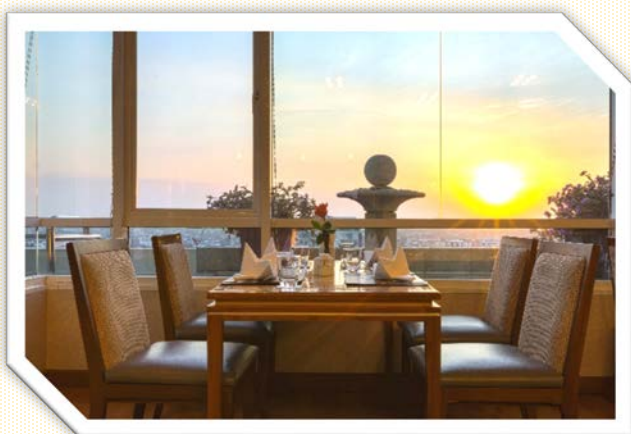
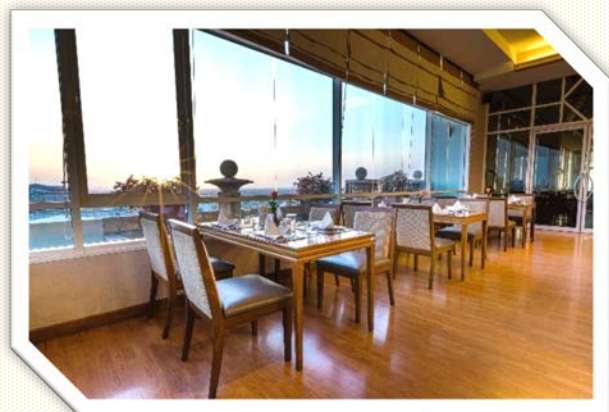


## MEETINGS & EVENTS

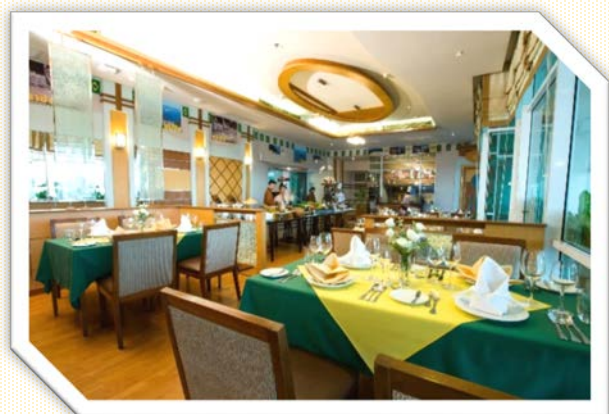


## DINING

### ROSY COURT



### RIO GRILL





## ORCHID AMERICAN BREAKFAST



## COFFEE CORNER



# COMMERCIAL PROPERTY

ZEER RANGSIT

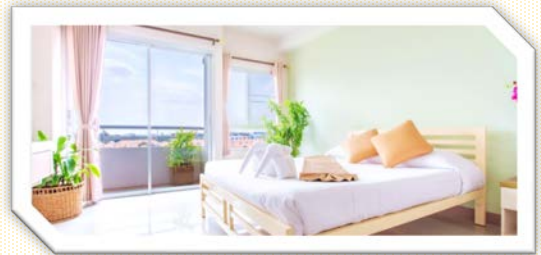
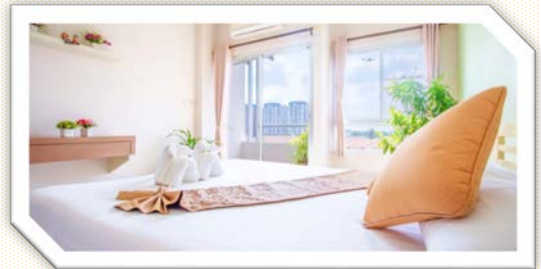




THE HUB



AA TOWN APARTMENT



GLENDALE & GLENHURST SHOPPING CENTER, LOS ANGELES, USA





# ASIA CHA AM HOTEL

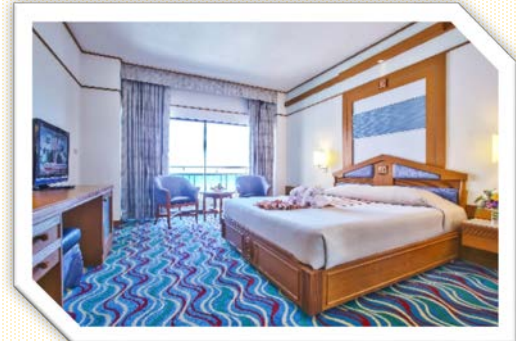
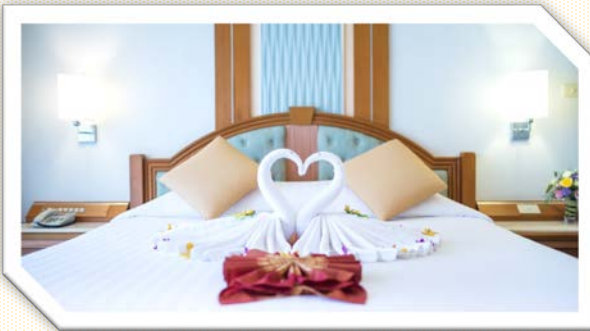


Let the nature cleanse your mood and lift your spirit at Cha am Beach



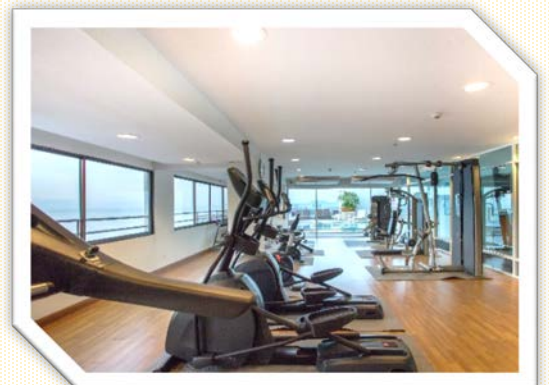
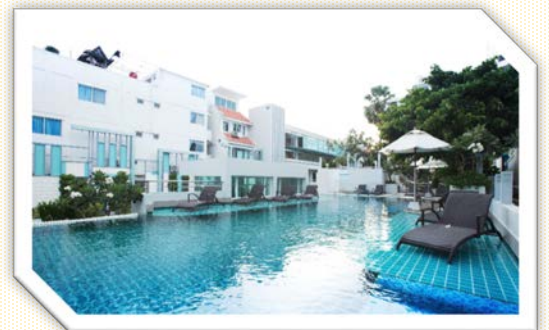
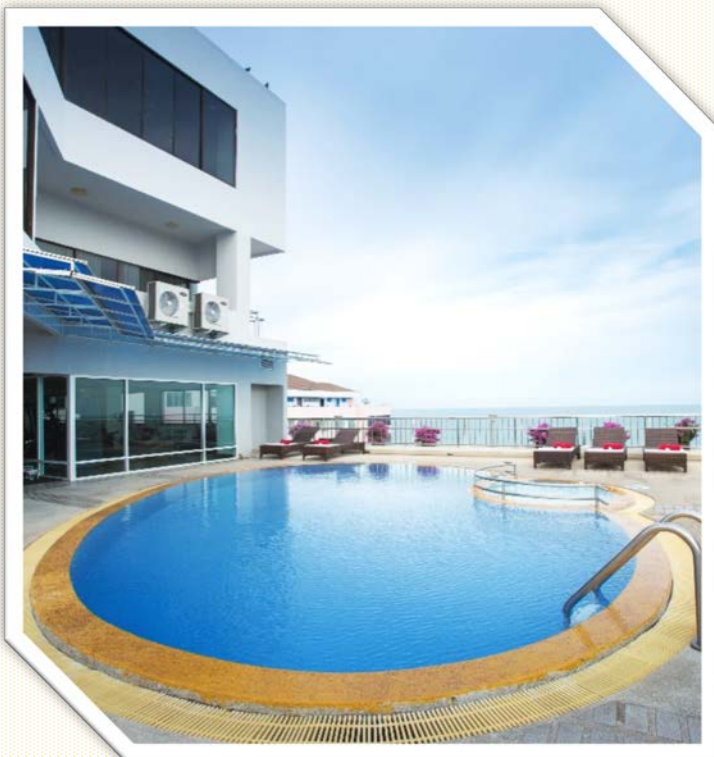
# ACCOMMODATIONS

## ROOM & SUITE



# HOTEL FACILITIES

## HEALTH & LIFESTYLE





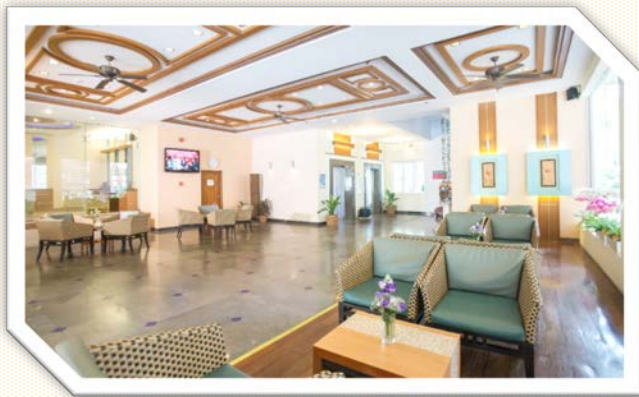
## MEETINGS & EVENTS



## DINING

LOBBY LOUNGE AND BAR

THINYOK COFFEE SHOP





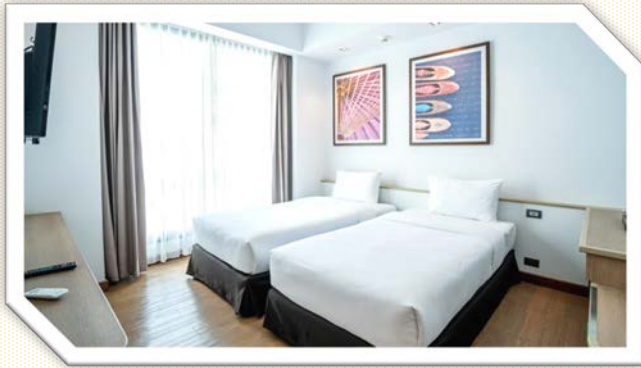
# DARLEY HOTEL CHIANGMAI





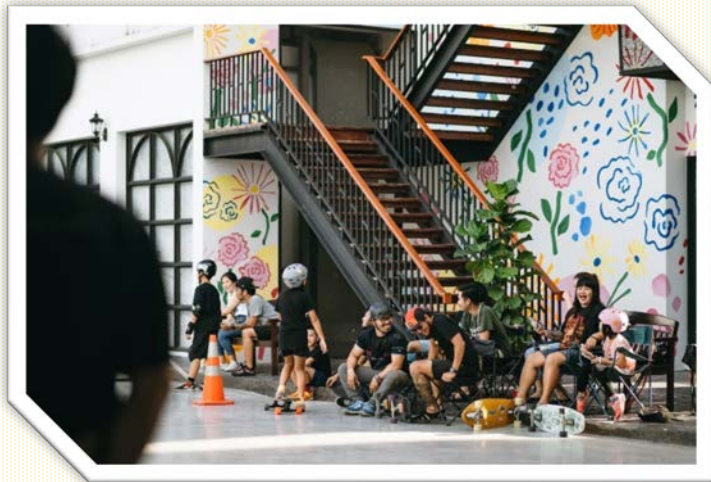
# ACCOMMODATIONS

## ROOM & SUITE



# HOTEL FACILITIES

## HEALTH & LIFESTYLE





# RATCHAPRUEK LANNA BOUTIQUE

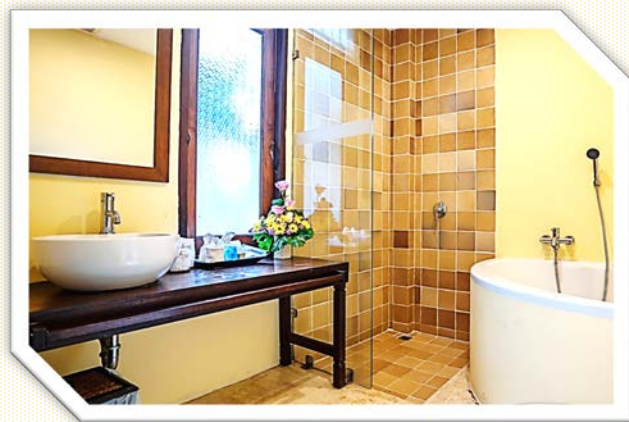
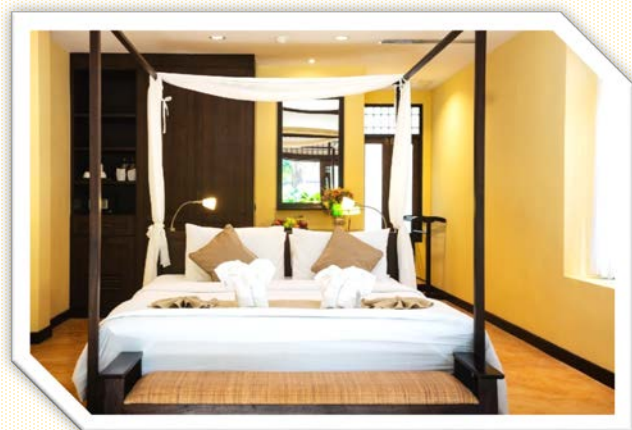


Welcome to our colonial Lanna style boutique resort



# ACCOMMODATIONS

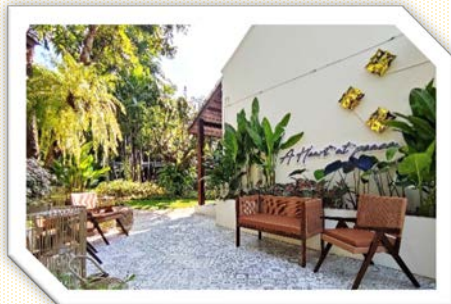
## ROOM & SUITE





# HOTEL FACILITIES

HEALTH & LIFESTYLE



MEETINGS & EVENTS

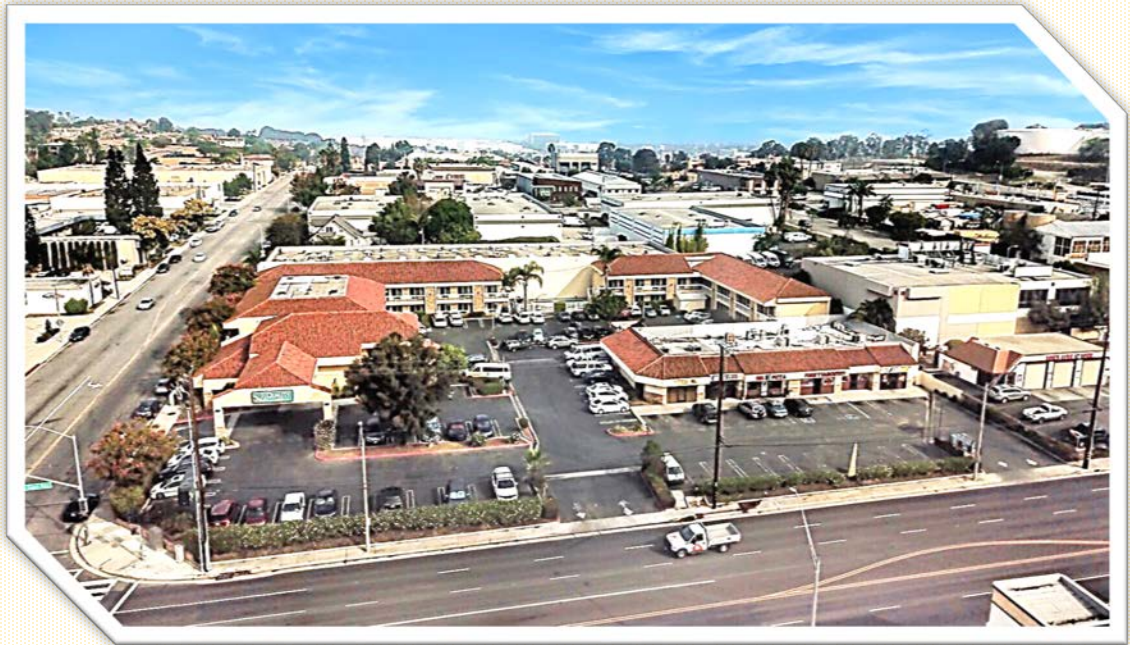


# DINING

CHIANG KHUM RESTAURANT







# QUALITY INN LONG BEACH - SIGNAL HILL

3201 E Pacific Coast Hwy, Long Beach, CA 90755

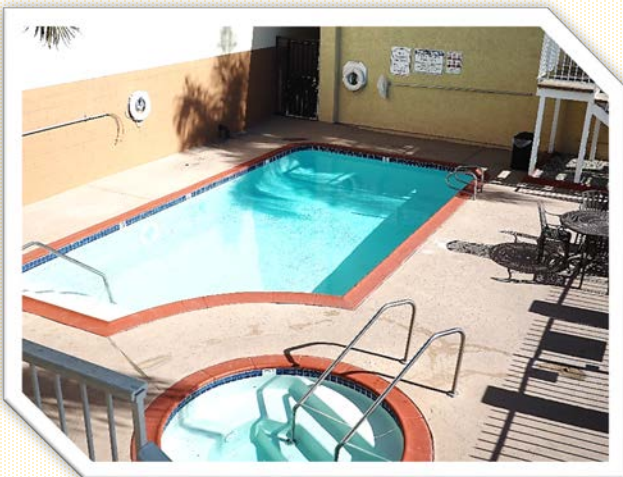
## Lobby



## Room



## Swimming Pool





# PART 1

## Business Operation and Performance

### 1. Structure and Operating Business Group

#### 1.1 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

Includes 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 Cha-am 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 “Zeer Rangsit Shopping Center” located at Phaholyothin Road, LamlukkaDistrict, Pathumthani. ZP has other 3 subsidiary companies running real estate business such as

1. Zeer Asset Company Limited (ZA) runs real estate business and rents “Ratchapruek Lanna Boutique Hotel”
2. ZEER OVERSEA LLC (ZO) runs the shopping center business at Los Angeles, USA, and manages hotel business in USA. “Quality Inn Long Beach - Signal Hill” located Signal Hill, CA. USA.
3. Spa Hotel Company Limited. (SPA) is also a real estate business running a shopping mall “Laan Sook Plaza” which the construction improvement project will be completed by quarter 2 of 2020 and “The Darley Hotel Chiangmai” at Chang Moi, Amphoe Mueang, Chiang Mai.

#### 1.1.1 Vision

The Company Policy on the hotel and restaurant business is to maintain the standard of a four star level, emphasize on providing the impressive service to every level of clients with the social and environmental responsibility, 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 Hotel:** 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.

**Quality Inn Long Beach – Signal Hill, CA. USA.:** It is located at Long Beach, Signal Hill U.S.A. It is far from the air port about 40 minutes, To accommodate customers who like to travel in important places such as Universal Theme Park..

**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.

The subsidiary company, “Spa Hotel Co., Ltd.” also invested in property which is located in the heart of the Chiang Mai in order to develop a shopping mall “Laan Sook Plaza” and a hotel “Darley Hotel Chiengmai”.

In 2018, The other subsidiary company, “Zeer Asset Co., Ltd.”, located on 2-0-31 rais Tumbon Nongkwai, Aumpur Handong, Chieng Mai Province, named “ Ratchapruek Lanna Boutique Hotel”

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

### 1.1.2 Important Changes and Developments and History in the last 3 years

#### 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 22<sup>nd</sup> 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/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 Senapoopitaksa, 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) in 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, Laan 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 in 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 4<sup>th</sup> 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 2<sup>nd</sup> 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 the former 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 56<sup>th</sup> of Annual General 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.

August 2019, the Board of Directors meeting Asia Airport Hotel Company Limited and Zeer Property Public Company Limited have extended the lease agreement of the Asia Cha-Am Hotel Project for another 3 years from November 2019 - October 2022.

In the year 2020, the Thai economy, including the global economy, was affected by the COVID-19, which was initiated in Huhan, China. Still, the number of infected populations continued to increase gradually. As a result, the pandemic has caused a severe slowdown in the tourism sector. ASIA and its subsidiaries announced the temporary closure of 3 months (from April, 1st 2020 to June, 30th 2020) of their 6 hotels (Asia Hotel Bangkok, Asia Pattaya Hotel, Asia Airport Hotel, Asia Cha Am Hotel, Darley Hotel Chiangmai, and Ratchapruek Lanna Boutique) During the closure period, food deliveries and Pickups services were opened for both Asia Hotel Bangkok and Asia Airport Hotel to serve customers in nearby areas. The hotels were reopened on July, 1st 2020. Out of the total of 590 rooms,



Asia Hotel Bangkok has reopened its hotel operation for 200 rooms along with hotel banquet rooms. Asia Pattaya Hotel entered a contract with the Thai government to become State Quarantine (SQ). Asia Airport Hotel, Asia Cha Am Hotel, Darley Hotel Chiangmai, and Ratchapruek Lanna Boutique were reopened for their full operation for domestic travelers which are mainly supported by the stimulus campaign of “We Travel Together”. Together, Zeer Rangsit and The Hub Rangsit were under temporary closure from March, 22nd 2020 to April, 30th 2020 due to the official announcement issued by the Phatumthani governor to slow down the spread of COVID-19. Yet, the exceptions for the essential business which includes supermarkets, restaurants, and banks were opened.

Resulted from the COVID-19 pandemic, ASIA Group had postponed the shareholding meeting from April 2020 to July, 23rd 2020. The meeting was held cautiously with the practice of preventions complied with the restrictions required by the Ministry of Public Health of Thailand.

During August – November 2020, Zeer Property Public Co., Ltd., entered into a share purchase with an existing shareholder of the subsidiary, Spa Hotel Co., Ltd. of 620,000 shares, at a par value of Baht 10 per share, totaling Baht 6.2 Million. The subsidiary, Zeer Property Plc., which holds a total of 13,499,987 shares in the subsidiary, Spa Hotel Co., Ltd., holds 96.43% interest of the capital.

During March – August 2021, Zeer Property Public Co., Ltd., entered into a share purchase with an existing shareholder of the subsidiary, Spa Hotel Co., Ltd. of 500,000 shares, at a par value of Baht 10 per share, totaling Baht 5 Million. The subsidiary, Zeer Property Plc., which holds a total of 13,999,987 shares in the subsidiary, Spa Hotel Co., Ltd., holds 100% interest of the capital

ASIA Group business during 2020-2021, the company committee has nominated Mr. Surapol Techaruvichit to Chief Executive Officer in November 2020 and in the Shareholder General Meeting 59<sup>th</sup> on 8<sup>th</sup> April 2021, Mr. Surapol Techaruvichit, has also appointed as company director responsible for Executive Director. Mr. Surapol Techaruvichit here to assist both hotel group and shopping mall management. This year the company also nominated an Independent Director increasing company potential to support economics recovery.

Hotel business has been impacted from COVID-19 pandemic. Especially during April – June 2020, ASIA Pattaya Hotel had serviced as State Quarantine. Later on, the severed outbreak in 2021, ASIA Hotel Ratchatewi did normal operated in March-June 2021 and operated as Hospitel between August-October 2021. Throughout services as Hospitel, ASIA Ratchatewi had been halted meeting and conference events to comply with Ministry of Public Health’s infection control measure. Due to the uncertainly COVID-19 situation and government lockdown policy, these conditions effect to business operation in 2021 are tougher than 2020. The company has provided estimated expenses to control unnecessary costs, including in supportive business, attentive employees to pass through this crisis and impeding in planning the estimated expenses from uncontrollable expenditures leading to deviated objectives.

However, in second half of 2021, ASIA Hotel Ratchatewi had improved Chinese restaurant and banquet room at 3<sup>rd</sup> floor purposely its functionality and beautification when returns to normal operation, year 2022.

**1.1.3 Use of Fund from Offering for sale of equity or debt**

**-None-**

**1.1.4 Applicable law – Company Obligation Debt Security Governing**

**-None-**

## 1.2 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 - Signal Hill” located Long Beach, U.S.A. that run by its group of subsidiaries companies.

### 1.2.1 Major Revenues from Hotel and Restaurant Business and Rental Area business in past 3 years:

Type of Business	Operated by	% of Share Held	2019		2020		2021	
			MB	%	MB	%	MB	%
- Hotel	Asia Hotel Public	Parent Company	246.71	18.19	67.69	8.35	24.25	4.04
- Restaurant	Company Limited	Listed Company	130.58	9.63	63.51	7.84	25.82	4.31
<b>Total</b>			<b>377.29</b>	<b>27.82</b>	<b>131.20</b>	<b>16.19</b>	<b>50.07</b>	<b>8.35</b>
- Hotel	Asia Pattaya Hotel	99.42%	61.14	4.51	37.80	4.66	21.85	3.64
- Restaurant	(Subsidiary Company)		42.03	3.10	18.80	2.32	9.80	1.63
<b>Total</b>			<b>103.17</b>	<b>7.61</b>	<b>56.60</b>	<b>6.98</b>	<b>31.65</b>	<b>5.27</b>
- Hotel	Asia Airport Hotel	Direct 100%	143.73	10.60	76.68	9.46	40.71	6.79
- Restaurant	(Subsidiary Company)		83.52	6.16	42.38	5.23	14.99	2.50
<b>Total</b>			<b>227.25</b>	<b>16.76</b>	<b>119.06</b>	<b>14.69</b>	<b>55.70</b>	<b>9.29</b>
- Hotel	Zeer Property Public	Direct 94.85%	62.86	4.64	57.86	7.14	74.36	12.40
- Shopping Center (Rental Business)	Co., Ltd. (Subsidiary Company)		585.56	43.17	445.82	55.00	388.07	64.69
<b>Total</b>			<b>648.42</b>	<b>47.81</b>	<b>503.68</b>	<b>62.14</b>	<b>462.43</b>	<b>77.09</b>
<b>Grand Total</b>			<b>1,356.13</b>	<b>100.00</b>	<b>810.54</b>	<b>100.00</b>	<b>599.85</b>	<b>100.00</b>

### Domestic and Oversea income structure

	2019		2020		2021	
	Amount MB	% per total revenue	Amount MB	% per total revenue	Amount MB	% per total revenue
Domestics Income	1,263.84	93.19	726.44	89.62	488.81	81.49
Oversea Income	92.29	6.81	84.10	10.38	111.04	18.51
-from CLMV	-	-	-	-	-	-
-from other country	92.29	6.81	84.10	10.38	111.04	18.51
Total Revenue	1,356.13	100.00	810.54	100.00	599.85	100.00



## 1.2.2 Product Information

### Hotel Business

#### (1) Nature of Business and Innovation Development

##### 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 Phyathai 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>
Superior	232
Executive	198
Premier	139
Suite	<u>21</u>
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.

In 2021, as a result of the covid-19 pandemic, the operation of the 3 restaurants, Great Wall, Saigon, and Rio Grill, were combined and opened only at the Tivoli Coffee Shop for the convenience of the customers. The restaurant is opened for both buffet, a-la-carte, and deliveries.

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

During Q4 in 2021, the Great Wall was remodelled to the breakfast and dining room to serve both hotel and banquet guests. The capacity of the room is 260 seating with 2 meeting rooms, which can accompany 20-25 seatings.

3. Other services : Health Club, 2 swimming pools (on the 5th floor and 12th floor), Spa "Asia Spa", 4th floor, space rental service, other services for the year 2021 did not be provided. Other services include selling local products, souvenirs, fortune-telling and zodiac signs, internet service.

## 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>
Standard Rooms	270
Executive Suite	4
Asia Suite	5
Jacuzzi Suite	10
President Suite	<u>16</u>
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.

In 2021, in response to the Covid-19 pandemic, Thailand closed its gate to the foreigner, the travel is limited to domestic guests. Before Q4, Asia Pattaya Hotel operates as hospitel to sustain revenue. Returned to normal operation, Asia Pattaya Hotel passed the SHA Extra Plus, maintaining the required standard from the Ministry of Public Health.

## 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>
Superior	238
Executive	152
Premire	8
Suite	<u>4</u>
Total	<u>402</u>



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

Studio – Deluxe	67	rooms
Junior Suite	28	rooms
Standard Suite	14	rooms
Family Suite	<u>1</u>	room
Total	<u>110</u>	rooms

2. Food and Beverages Services

Banquet Rooms and Seminar Rooms totally 7 rooms are provided for customers as following;

	Capacity (people)	Quantity (room)
TULIP	15-30	1
BUALUANG	40-100	1
BUSABA	40-100	1
CATTLEYA	80-120	1
DUSITA	100-150	1
EVERGREEN	150-250	1
AREEYA	200-350	1

Restaurant for 3 places which are; Orchid for 80 seats, quantity 1 room  
Rosy Court for 40 seats, quantity 1 room  
Rio Grill for 30 seats, quantity 1 room

3. Other Services such as pool, fitness

In 2021, During the 3 months lockdown responded to the covid-19 pandemic, Asia Airport Hotel partnered with a private company, accepting the Bubble & Seal group. The bubble & seal project is managed to retain factory workers to the workplace. The hotel offers room accommodations and 3 meals to fully fill up the hotel occupancy.

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 2022. The hotel has divided as following;

1. Accommodations for 3 buildings totally 214 rooms

	<u>Rooms</u>
Superior	78
Executive	111
Premier	22
Suite	<u>3</u>
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.

In 2021, together with being affected by the covid-19 pandemic, yet with its proximity to Bangkok, Asia Cha Am Hotel is quite popular among domestic tourists. With the ‘We Travel Together’ stimulus package, Asia Cha Am hotel has retained domestic travelers, especially during the weekend.

**3. Ratchapruek Lanna Boutique Hotel:** 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 Hotel. 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>
Superior	2
Deluxe	31
Junior	1
Executive	<u>1</u>
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 116 room service. The hotel also provides local breakfast. The room serves into 5 types as following;

Accommodation 116 rooms divided into;

	<u>Rooms</u>
Superior	53
Deluxe	12
Premier	27
Double Single	4
Double Deluxe	<u>20</u>
Total	<u>116</u>

**5. "Quality Inn Long Beach -Signal Hill"** is an investment by Zeer Oversea LLC, a subsidiary of Zeer Property Public Company Limited in November 2018 onwards, with an area of 1.3 acres (4.5 rai) consisting of guestroom 74 rooms, 6 rental shops under the Choice Hotels International, Francise Brand: Quality Inn franchise to help with marketing and accounting management. In 2020, the construction improvements which included the interior of hotel rooms, hotel common areas, and landscaping were completed. The improvements have lifted the overall experience of the hotel as well as have complied with the Choice Hotel International franchise standard requirements.

Accommodation 74 rooms divided into;

	<u>Rooms</u>
King Bedroom	25
Double Queen Bedroom	48
Suite Room	<u>1</u>
Total	<u>74</u>

### *Business Season and Business Cycle*

The 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. The challenging environment from COVID-19 pandemic caused the immediate halt to the global tourism economy. The supply chain of the sector includes the airline, the hospitality business, as well as the service business are highly impacted. For this year 2020 and 2021, due to the impact of the Covid-19 outbreak, the business has been interrupted from the lockdowns. And the tourism sector of Thailand, including hotels, airlines, and supply chains of this business, has been greatly affected throughout the year.



## **(2) Marketing and Competition**

Asia Hotel Group has registered its positioning as being the 4-star hotel. With the strategic location, comfortable stay, and value-for-money being the key selling point, Asia Hotel Group has remained one of the top choices for domestic and international customers.

### **(1) Marketing Strategy**

#### **❖ Marketing Strength**

Since business experienced of hotel and restaurant over 55 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 55 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. In 2020-2021, the covid-19 pandemic hit, the international travel is limited. Together, the number of Thai travelers decreases because of the slowdown of the economic as well.
- 2.2 Asia Hotel Group sale teams are meeting clients on a door-to-door basis. With the pandemic situation, the teams follow up with clients through telephone and email.
- 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.  
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. In 2020-2021, due to the COVID-19 pandemic, the four restaurants were combined to one as the international dining restaurant.
- 3.4 More than 70% of catering/meeting/seminar customers are our regular customers. In 2022, to control COVID-19 outbreak, government announced to restrain meeting, seminar and catering services. Until late 2022, the situation was slightly better, the government had allowed hotels to arrange catering, meeting and seminar undering SHA (Amazing Thailand Safety and Health Administration) standards to build customers confidence.
- 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.

In 2021, while COVID-19 epidemic, ASIA Pattaya Hotel serviced as State Quarantine 250 rooms for people who returned from abroad. Between May-September 2021, the hotel serviced as Hospital and between 1-20 October 2021 had offered as Organization Quarantine. From 21 October – December 2021, ASIA Pattaya had normal operation.

**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 Hotel** 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.

Quality Inn Long Beach – Signal Hill, USA. It has the advantage of being a hotel in Long Beach which is a leisure city for people traveling in the United States. It is near the LGB Airport (Long Beach Airport) 5 minutes and it is located on the road behind the Pacific Coast Highway near tourist attractions. In 2020, the hotel entered into a contract with the County of Los Angeles to become the quarantine for the elderly. The timeframe was from April – October 2020.

## ❖ 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 2020. 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 like others; however there is local food serving for breakfast, the breakfast price is already included in the 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.

### *Quality Inn Long Beach – Signal Hill, U.S.A.*

The hotel location is not near the beach 3 kilometers away from the beach causing a disadvantage in price competition.

## *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. Ebina House 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.

***Quality Inn Long Beach – Signal Hill, USA.***

**Target Market:**

1. Thai and foreign tourists
2. Internet customers

**Competitor:**

1. Econo Lodge Long Beach	2. Queen City Inn
3. Sea Rock Inn	4. Super 8 by Wyndham

**Competitive Environment:** There is a high price competition. The advantage is that the hotel is in a good location and has a small shopping plaza with restaurants.

***- 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

Noted: There was a contacting adjustment in 2021 ipon situation's conditions.

***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.

Noted: There was a contacting adjustment in 2021 ipon situation's conditions

***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](http://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.

Between 2020-2021, which had been COVID-19 spreading out, the company did not operate its business as normal for example paasing out flyers, advertisement, contracting travel agencies both domestics and international, reducing restaurant services to one place. The company has expected the situation to return as normal and turn to regular operations.

### *Agency and nomination, essence of contract*

Asia Hotel Group and subsidiaries hotels (Bangkok, Pattaya, Airport, Cha-am, Ratchapruek and Darley) obtains the same policy that the hotels do not have any agency. The hotels only communicate with customers by the company sale representative. Located in California, USA, Quality Inn Long Beach entered into the franchise contract with Choice Hotels Internationals as our franchisor and agency.

### *- 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 -

### **(3) Goods and services providing**

#### *Quality and quantity of the hotel services in 2021 compared with 2020*

**Asia Hotel** : the hotel provides 590 rooms to serve customers which mostly are tourists.

	<b>2021</b>	<b>2020</b>
Average room rate	Baht 936.65	Baht 1,122
Occupancy rate	11.25%	28.86%

**Asia Pattaya Hotel** : the hotel provides 305 rooms..

	<b>2021</b>	<b>2020</b>
Average room rate	Baht 904.00	Baht 915.00
Occupancy rate	21.75%	39.55%

**Asia Airport Hotel**: the hotel provides 402 guest room hotel and **Service Apartment** 110 rooms

<b>Hotel</b>	<b>2021</b>	<b>2020</b>
Average room rate	Baht 706.25	Baht 984.65
Occupancy rate	22.21%	23.79%
<b>Service Apartment</b>	<b>2021</b>	<b>2020</b>
Average room rate per month	Baht 30,763.24	Baht 32,845.47
Occupancy rate	6.36%	9.17%

**Asia Cha-am Hotel** : the hotel provides 214 rooms.

	<b>2021</b>	<b>2020</b>
Average room rate	Baht 868.69	Baht 867.96
Occupancy rate	14.32%	36.33%

**The Darley Hotel Chiang Mai** : the hotel provide 76 rooms

	<b>2021</b>	<b>2020</b>
Average room rate	Baht 755.79	Baht 731.32
Occupancy rate	6.36%	20.74%

**Ratchapruek Lanna Boutique Hotel** : the hotel provide 35 rooms

	<b>2021</b>	<b>2020</b>
Average room rate	Baht 1,244.31	Baht 1,276
Occupancy rate	7.67%	20.94%

**Quality Inn Long Beach Signal Hill, USA.** : the hotel provide 74 rooms

	<b>2021</b>	<b>2020</b>
Average room rate	USD111.-	USD88.-
Occupancy rate	72%	71%

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



## Rental Area Business

### (1) Nature of business and Innovation Development

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 28 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 137,000 square meters, common area for 71,000 square meters and parking for 65,000 square meters. Every floor details are described as the following;

- Underground Mostly there is restaurants and supermarket for example food court, TOPs supermarket, KFC, MK, BBQ Plaza, Pizza Company and Yayoi etc.  
In 2016, ZEER had opened ZEER MARKET zone for food and beverages.
- 1<sup>st</sup> Floor 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.
- 2<sup>nd</sup> Floor The rent shops have a similar retails as the 1<sup>st</sup> floor. However, there is interesting retails such as The Future AV and SE-ED book Shop.
- 3<sup>rd</sup> Floor In this floor still has the similar retails as computer, software and electrics equipment etc. The major retails in this floor is IT City.
- 4<sup>th</sup> Floor This floor has provided customers with commercial banks and financial institutes more than 6 banks, Amon Shop, Offices, retailing stores and computer providers.
- 5<sup>th</sup> Floor It is opened for large group of meeting and seminar, named Diamond Hall which is 51% of the whole floor area. The place can support 4,000 people.
- 6<sup>th</sup> Floor this floor for hotel rental area and the remainder is building systematics
- 7<sup>th</sup> – 9<sup>th</sup> Floor are managed for office rental which provide for companies and government sectors.
- 10<sup>th</sup> – 17<sup>th</sup> 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 retails 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 43.62% 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 57.5%.

## 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 2022.

### 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 100% of SPA registered capital. SPA had invested in land and structures located at Chang Moi, Amphoe Mueang, Chiang Mai with 140 million Baht. The location potential is closed to the famous Warorot Market, with Asia Airport Hotel Company Limited rented to operate 116 rooms for rent. Laan Sook Plaza, the area has now been renovated and tenants are currently moving in.

### 4. Quality Inn Long Beach – Signal Hill, Los Angeles, USA

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

### 5. Ratchapruerk 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.

## (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 has opened the rental area of the total 6 floors. 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. On 1<sup>st</sup> and 2<sup>nd</sup> floor are retail rental area, however 3<sup>rd</sup> floor still not operate yet.

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. Occupancy rate is 57.5% 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 Amornrgroup 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 planned 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.

### ***(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

In the year 2018, the company conducted the construction and decoration of the project in order to be a project that combines famous and popular stores in Chiang Mai which is expected to be available for service in the year 2021.

#### Quality Inn Long Beach – Signal Hill

The company uses the hotel management under the Francise Brand name, Quality of Choise International Hotels, to manage marketing and accounting. In the year 2019, the company improved according to Choise's standards.

**(4) Business Asset Structure**

*Assets that use for the company and subsidiaries business on 31 December 2021.*

<b>Assets</b>	<b>Rights</b>
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.
2. 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.
3. 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.
4. 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 18 years 3 months in contract)
5. 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 2019 to 31 October 2022.
6. 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 28 years 3 months in contract)
7. Asset with building at Cha-am, Petchaburi which include (1) Land and hotel building with 214 rooms (2) Land and commercial building at Ruamjit Rd.	Zeer Property Public Co., Ltd. is a titleholder
8. 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
9. 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
10. Glendale Shopping Center, Los Angeles, USA <i>Managing " Shop for rent 10 units"</i>	Zeer Oversea LLC is a titleholder
11. 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 - Signal Hill"</i>	Zeer Oversea LLC is a titleholder

**(5) Work that has not yet been delivered - None -**

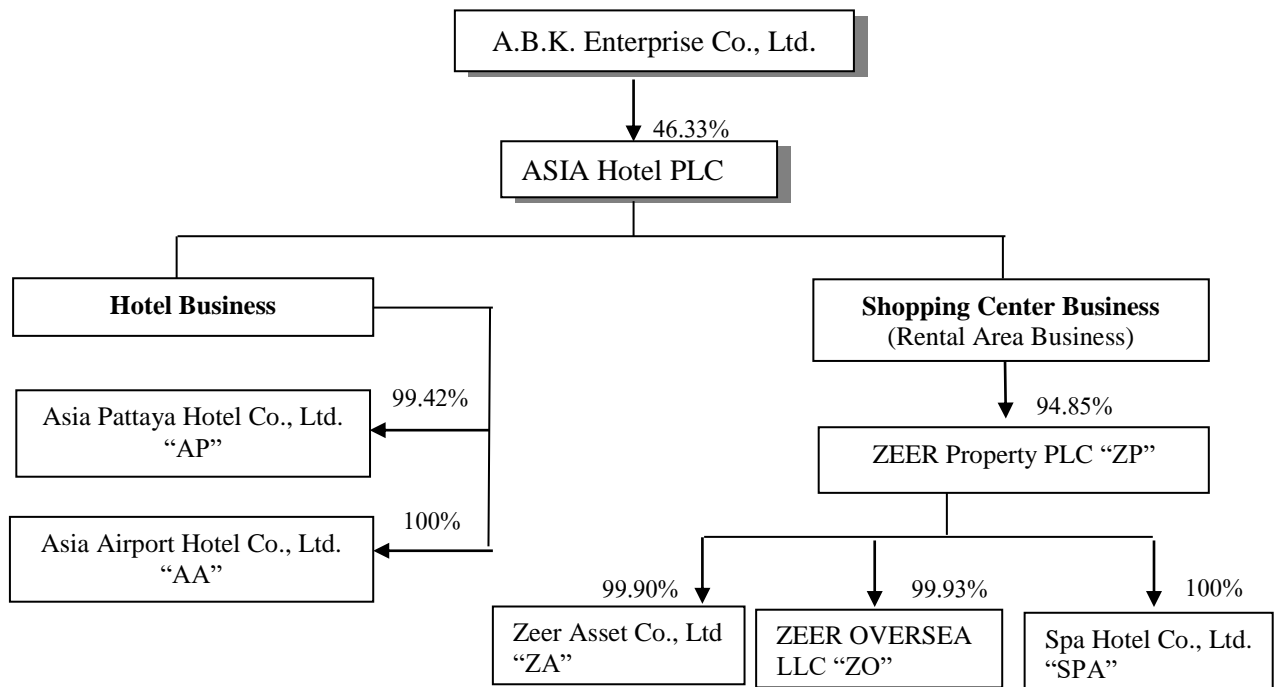
## 1.3 Overview of business operations of the Company and its subsidiaries

### 1.3.1 Shareholding Structure of the Company Group

Asia Hotel Public Company Limited (ASIA) was established in 1966 by Techaruvichit Group. At present, A.B.K. Enterprise Company Limited is a major shareholder of the Company, in the proportion of 46.33 percent

There are currently 2 business groups of the Company: Hotel and Restaurant business and Rental Area Business. In the past, the company had the policy to separate the business of the ASIA group of companies. (Hotel business) with Zeer Property Public Company Limited, the rental area business since 2010, but later in the beginning of 2017, there has been a review of the said policy, apprehended this policy causing limitations the business growth. Therefore, it was proposed to the 2017 Annual General Meeting of Shareholders to consider and approve the termination of the aforementioned policies and practices, and has been approved. At present, there is no policy to divide the operations of the group of companies in any way.

#### Shareholding Structure of the Company Group as at 31<sup>st</sup> December 2021





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

	Address	Type of Business	Type of Share	Issued and paid-up (MB)	No. of Shares Held	% of Shares Held
Asia Pattaya Hotel Co., Ltd. "AP" (Subsidiary Company)	352 Moo 2 Kao PraTumnuk Road Pattaya Beach Cholburi.	Hotel and Restaurant	Ordinary Shares	120.0	1,193	99.42%
Asia Airport Hotel Co., Ltd."AA" (Subsidiary Company)	99/2 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Hotel & Service Apartment and Restaurants	Ordinary Shares	495.0	4,949,993	100.00%
Zeer Property Co., Ltd. "ZP" (Subsidiary Company)	99 Moo 8 Paholyothin Rd. Kukot Lumlukka Pathumthani	Shopping Center (Rent Area) Business	Ordinary Shares	225.0	213,412,200	94.85%
Zeer Asset Co., Ltd. "ZA" (Subsidiary Company) By ZP	165 Rungsit-Nokornnayok Rd. Prachatipat, Pathumthani	Real Estate	Ordinary Shares	30.0	299,699	99.90%
Zeer Oversea LLC"ZO" (Subsidiary Company) By ZP	2662, 22 <sup>nd</sup> Avenue San Francisco, CA., USA 94116	Shopping Mall for Rent	Ordinary Shares	US\$ 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	13,999,987	100.0%

*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 100.0% respectively, resulting ASIA hold the shares indirectly.*

### 1.3.2 The company does not have any person holding shares in either subsidiary or associated company more than 10 percent of the number of shares with voting rights of that company.

### 1.3.3 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 29.41% and others held 70.59% shares. Therefore, as at 31<sup>st</sup> December 2021, Techaruvichit Group who is current executive of ASIA directly held 19.67% shares and indirectly held shares through ABK. The total shares held directly and indirectly in ASIA of 67.12%

### 1.3.4 Shareholders

(A) Details of Top-Ten Major Shareholders as at the latest closing dated on 10 March 2021 are as follow:

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. Surapol Techaruvichit and spouse	15,808,330	4.940
4.	Mr. Patcharapol Techaruvichit	14,470,000	4.522
5.	Mr. Wutimate Lertvilai	11,529,990	3.603
6.	Mr. Somsak Komvutichai	8,609,000	2.690
7.	Mr. Soh Chee Yong	7,650,000	2.391
8.	Mrs. Suvimol Techaruvichit	5,619,960	1.765
9.	Mr. Wichai Arunkamolsri	5,396,000	1.686
10.	Pattaya Hotel Trading Co., Ltd.	3,600,000	1.125
	<b>Total</b>	<b>256,651,030</b>	<b>80.203</b>

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
<b>1. Techaruvichit Family</b>	<b>77,694,250</b>	<b>24.279</b>
Mrs. Suvimol Techaruvichit	5,619,270	1.756
Mr. Surapol Techaruvichit and Miss Aree Techaruvichit spouse	14,735,000 1,073,330	4.605 0.335
Mr. Polpat Techaruvichit	1,459,000	0.456
Mr. Patcharapol Techaruvichit	14,470,000	4.522
Mr. Surapong Techaruvichit	2,266,660	0.708
Miss Patcha Techaruvichit	24,600	0.007
Mr. Poom Techaruvichit	277,290	0.087
Mrs.PornpunTanariyakul and Mr.Samart Tanariyakul spouse	34,723,750 1,004,000	10.851 0.314
Mrs. Oyetip Hayrabut	2,040,660	0.638
<b>2. A.B.K. Enterprise Co., Ltd.</b>	<b>148,240,000</b>	<b>46.325</b>
<b>3. Pattaya Hotel Trading Co., Ltd.</b>	<b>3,600,000</b>	<b>1.125</b>

The persons in Techaruvichit Family holds direct ASIA shares totaling 82,394,910 shares or 25.75%

As at December 31, 2021 Techaruvichit group, who is a current executive of ASIA, holds direct shares of the company of 19.67% 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 67.12% as follows:

A.B.K. Enterprise Company Limited is a Holding Company, 29.41% of shares are held by Techaruvichit Group, the executive of ASIA and others held 70.59% shares

Pattaya Hotel Trading Company Limited is a Holding Company, 69.17% of shares are held by Techaruvichit Group, the executive of ASIA and others held 30.83% 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.

## 1.4 Number of registered capital and paid capital

As of December 31, 2021, 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.

## 1.5 Issuance of other securities

-None-

## 1.6 Policy of Dividend Payment

### *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 - 31 Dec 2020	0.00	No dividend payment
1 July – 31Dec 2019	0.00	No dividend payment
1 Jan - 30 Jun 2019	0.05	12 December 2019
1 Jul – 31 Dec 2018	0.03	9 May 2019
1 Jan - 30 Jun 2018	0.10	12 December 2018

Due to the fact that from 2020 to 2021, the Company was greatly affected by the COVID-19 epidemic, causing the Group's operations to suffer losses, including hotels, restaurants and rental area businesses, therefore the company was unable to pay dividends to the shareholders of company. The company expects the situation was better soon.

### *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.



## 2. Risk Management

### 2.1 Policy and Risk Management

ASIA had been conscious and gave precedence to risk management. ASIA have applied the risk management since year 2010 as a good corporate governance. ASIA nominated COSO method as its risk management to support the company accordance throughout the organisation and their activities. This resulted in ASIA efficiency achievement in the company objectives underneath the good corporate governance principle. The company risk management method has continually increased organisation worthiness, which lead to the utmost advantages to ASIA.

In 2011, ASIA Risk Management team had created the company risk management manual as its guidance for supporting their management and executors throughout each department to understand risk management and proceed its operation following the manual. Together the company has created risk management report, which exhibit in appendix, to moderate company risks as an acceptable level.

Later on, November 2016, ASIA Risk Management team had improved its risk management manual to conform with the company risk manging practical as an efficiency method, especially the fraud appraisal report. This is compatible with ASIA anti-corruption policy, which determined as following;

1. To promote understanding, awareness, accountable and participated in the company risk management and leading to decrease the risk as systematically and consecutively trough organisation.
2. To emphasize the risk management as preventive, improving, explicitly and correctly, which should be done regularly as a part of good corporate governance to encourage the value of corporate barnd and image.
3. To engage risk management as a part of organisational objective plan as such performance, fiscal management and investing management.
4. The risk management should be developed continuously to accord with organizational mission. The risk management also should be followed up and appraised its policy with provided report for the company committee.
5. To stipulate the risk management regarding corruption as a part of organizational practice.
6. Preparing document and manual regarding work regulation and instruction to conscientiously execution.

#### Risk Management Vision

ASIA intends to place its risk management policy as a company implement leading to a good governance and to accomplish the organisation goal.

#### Risk Management Culture

ASIA will encourage its employees to realized the importance of risk management. This will result in the risk management policy afterward, which will be partial of company standard working operation as the company culture.

#### Risk Management Objectives

1. To make an understanding with management and operation regarding risk management and principles os the company.
2. To make an understanding with operation respect respective procedures and processes of risk management planning.
3. Applying risk management as an implement throughout the organisation.
4. Utilized the risk management as a communication tool, to make an understanding and connect the risk management with the internal control system of the business.
5. Reducing opportunity and negative affectation, which will occure to the company.

#### Risk Management Targets

1. ASIA management and employees have comprehended the risk management and apply to the company operation to accomplish the risk management objectives and targets.
2. The management and employees should be able to identify, analyze, evaluate and manage the possible risks at the acceptable level.
3. The risk management should be utilizable to the management responsible obligations.
4. The management and employees are responsible for the company risk management.
5. Risk management will be the organisation culture.

## 2.2 Risk Factor to the Company's Business Operation

- ***The COVID-19 Pandemic risk***

Since the early 2019, across the world and Thailand encounter the virus pandemics and strongly spread out in the middle of 2020 resulting in tourism industry effect included in aviation business, hotel business and other related business. There was a severe infectious over Thailand subsequently no foreign tourist, refraining meeting and seminar and transforming to online meeting in both private and government sectors.

Since 1 November 2021, government announced to revoke the shutdown policy by obtained Test & Go (T&G) or Exemption from Quarantine measures for the vaccinated foreign tourists. The government had greeted foreigners and specified the quarantine exemption or serving sandbox seven days package by the hotels with SHA plus (Amazing Thailand Safety & Health Administration) services, which programmed by The Tourism Authority of Thailand. The purposes are creating safety standard of tourism industry in the new normal lifestyles and indicating tourism of the preventing COVID-19 pandemic. Hotel employees are required to vaccinate at least 70% stopping COVID-19 prevalent. Presently, over 90% of citizen vaccinated and the government provided its citizen with vaccine booster dose, however the situation in Thailand still exposes to risk. Moreover, the high-risk tourists from prevalent country have been entering to Thailand resulting in opportunity of Omicron epidemics. Causing the pandemic situation in Thailand cannot return to ordinary rapidly.

Hotel business, through wave 3 to 4 of the pandemic, has been consequential to halt service of guest room, conference room and banquet room. During August to October, the hotel had served as a Hospital services to adjust its income strategy. Furthermore, the hotel has controlled the expenditures to balance with the decreased revenue. The hotel together adjusted sales strategy both guest room and food delivery, inducing in supportive its business. The company expects the better situation after recovered medical for COVID-19.

- ***Human Resource Risk***

ASIA and its subsidiaries emphasize human resource management. The pandemic has impacted the workforce extensively in the tourism industry. Importantly, the policy of ASIA aims to retain all employees. However, a group of employees decided to resign to join other less affected industries or go back to their homes in rural areas. The company had no recruitment advertisement in 2021. The company supports current employees as such supporting fund from National Social Security, temporary reducing provident funds submission and providing COVID-19 vaccine for employees. Together, ASIA has provided employees accommodation for distressed employees. These policies also applied to foreign workers. All in all, the number of the group workforce in 2021 is less than the number of the group workforce in 2020.

- ***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 2021, the total interest bearing debt was Baht 2,410 million or equal to 0.46 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.

### 3. Driving Business Towards Sustainability

#### 3.1 Policies and Goals on Sustainability Management

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 Board of Directors has established a policy regarding the responsibility to all stakeholder groups under the corporate governance policy which has been drawn up in 2004 and the latest policy review every year in December 2019, as described in the Enclosure no. 6. Corporate Governance and disclose the said policy on the company website at [www.asiahotel.co.th](http://www.asiahotel.co.th) and in the annual report as well.

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 shopping rental area business group (real estate), major stakeholders of business, in addition to the company's shareholders, are our employees, customers, partners, surrounding environments, and societies. At present, the company focuses on the business operations of the company and its subsidiaries on corporate social responsibility as following:

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

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

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

In July 2014, the Board 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. The aforementioned policy and the policy manual can be found in Attachment 5. Other topics are as attached.

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. At present, in 2021, the company is not yet ready to submit documents for re-certification. With the situation of the epidemic of covid-19, the company continues to monitor and follow the policy for corruption complaints. At the end of 2021, no complaints have been filed to the company in accordance with the specified process.

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 20 years and operated by their own committee. Currently (year 2021), the hotel business has been affected by the Covid-19 epidemic. Members of the cooperative are also affected. Member's income has decreased. The cooperative has helped its members to refrain from collecting shares, loans and interest from members during that time, more than 2 years. The number of members has decreased, but the Asia cooperative still being strong and was considered to be rated as a cooperative standard Fiscal Year 2021 "Passed the standard" It is well established and recently received a certificate of a high standard from the Cooperative Promotion Bangkok Metropolitan Office.

4.3 The company set up the welfare staff committee including the hotel manager and the head of departments to monitor the welfare of employees such as cremation funds 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, detail in topic 7.5 employee

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, Asia Cha-am and Darley Hotel Chiangmai at special prices. The bookings need to be verified by Personnel Department.

4.6 The company provides flu vaccination and annual physical examination and during the COVID-19 pandemic. The company coordinates that all employees are vaccinated for protection all the time, from needle 1 - needle 4.

4.7 The company regularly takes care of the safety of its employees by helping reduce accidents at work. In 2021, there are no accidents of employees due to the reduction in sales of hotel restaurants and banquets which is the impact of the outbreak of the coronavirus.

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. 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.

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.

## 3.2 Managing stakeholder impact in the business value chain

### 3.2.1 Business value chain

ASIA Group's business has been divided into two parts, which are;

1. Hotel business and restaurant; included in accommodation, restaurant, banquet rooms, conference rooms, rental area and others such as SPA, swimming pool and gym.
2. Rental area business; both short and long term.

## **Hotel Business and Restaurant**

### **Primary Activities**

Front office practices, which are marketing/reservation/lodging facilitation and safety, aimed those trained employees (reception, housekeeper and food and beverage sector) be impressive service to customers.

### **Support Activities**

Back office, who manage human resourcing, accounting and financial, procurement, laundry, security and repairing maintenance. Moreover, there are also office rental service, retailing area rental service and parking service.

## **Rental Area Business**

**Primary Activities;** included in marketing and sales, which responded to set-up pricing, creating campaign activities and servicing tenants within shopping center throughout the front area.

**Support Activities;** as such management, accounting and finance, human resourcing, security supporting safety in the center and repairing maintenance for taking care of the equipment efficiency within the center.

### **3.2.2 Analysed value chain between the related parties**

The significant related parties both internal and external organization, which are connected to the direct business value chain possibly divided to;

- The internal organization related parties, which are shareholders and employees.
- The external organization related parties, which are customers, partners and community.

<b>Related Parties</b>	<b>Related Parties Expectation</b>	<b>Response to Related Parties</b>
<b>The internal organization related parties</b>		
Shareholders	Returns from the company performance by holding the good governance company shares.	Open to shareholders suggestions and strategy to rapidly recovering business from COVID-19 crisis.
Employees	Good compensation (salary and bonus), good welfare, well work-life balance, safety, stability and advancement.	Reviewing compensation and welfare for employees; included in carefulness, knowledge and ability development program supporting employees.
<b>The external organization related parties</b>		
Customers	Services impressment such as food and place, which are clean, safe and fair price.	Providing services with honest and fast, which impress customers and visit again.
Partners	Selecting partners with fairness and equality without disgrace reputation and illegally; including in taking good care of partners.	Performing procurement system with transparency, verifiable and financial confidence.
Community	Developing the community with the sustainable development and supporting community activities.	Creating good relationship with neighbor by sharing and contributing career opportunities to community.

## **3.3 Management of Sustainability in Environmental Dimensions**

### **3.3.1 Environmental Policies and Guidelines**

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.

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:

- Energy** - 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 in the evening
  - Automatic door was installed to keep the cool air inside.
  - 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.
- Water** - “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.
- Water saving type of bathroom appliances are used in the guestrooms.
- Garbage** - 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.
- Reduction of plastic use. The company has reduced plastic waste with the following actions:
    1. Change some disposable plastic containers into other biodegradable containers.
    2. Canceling use of wrapped plastic of water bottle caps.
    3. Reduce the plastic tubes in various dining rooms, except in the case of customer requesting.
    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.
    5. Encourage customers to refrain plastic bags when buying snacks in the hotel bakery.
- Waste** - 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.
- Pollution** - 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

“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.

### 3.3.2 Environmental Performances

ASIA has no managing environment data recorded including in energy savings, water, electricity, waste disposal, re-use/recycle and Greenhouse Gas Emissions. Those data recently have not been appraised, compared or analysed as a concretization. In the future, the company has been planning to collect those data to specify clearly strategy of related environment in business and value chain. This takes into consideration of consuming resouces worthwhileness and reducing environmental impact.



### 3.4 Sustainability Management in Social Dimensions

#### 3.4.1 Social Policy and Guideline

ASIA stipulated the company ethics to social responsibility adherence, which correspond with common interest and environment, together with contributing social development, virtue and morality through out the organization (including in committee, management and employees in ASIA). The organisation without virtue and morality cannot be a sustainable organization. This also consist of human rights respectation and comply with the labor fairly, responsible for products and services to customers and participating in social and community development.

#### 3.4.2 Social Performances

##### (1) Employees and Workforce

ASIA has been consistently a fair employment and salary. The company has training program to support and develop employees, comply with employees' satisfaction, security management, occupational health, workplace environment. The company had been acting on human rights both employment and treating employees, which construct the royalty in the organisation.

Details	Employments	
	Male	Female
Full-time Emploeyess	144	150
Disability Employees	2	2
Total	146	152

##### Employees Traning Program

Year 2021, the company did not provide employees training program for supporting employees' skills and capability owing COVID-19 effects to hotel business during 2020-2021.

##### Safety, Occupational Health and Environment in Workplace

In 2021, ASIA had continuously developed and improved company's working performance efficiency regarding security. To reduce sickness, injury and death comply with the appropriation of concerning employees' life quality as such fire fighting training with properly equipments, self and others rescue and first aiding. This year, in 2021, employees has no severed injury from work.

##### (2) Customers

ASIA has devoted service to customers with complacency and confidence by focusing on room, food and beverage service quality in reasonable price and maintaining a good relationship between hotel and customers. The company intends to constantly and conscientiously raise its standards, disclosing undistorted information, maintaining personal information of customers/committee/management/employees without consent excluding prescribed by law.

In 2021, the company was evaluated customers satisfaction as good to excellent level. Though there was effects from COVID-19 pandemic, however ASIA has not been complained.

##### (3) Community and Society

ASIA has operated with responsibility to common interests, environment and social well-being development. The company has focus on reducing environmental impact and avoiding badly consequences to nearby community.

In 2021, there was not found complaint from neighbor about social or environmental aspects. Moreover, ASIA also has participated in well-being development program with nearby community for example making merit in fornt of hotel activity or Children's Day gift giving activity to Sammajivasil School and Kingpetch School, where located nearby the hotel. However, during the COVID-19 epidemics, some activities had been canceled and postponed.

Additional, ASIA normally has projects regarding tourism and hotel personnel development with educational institution both in bachelor and undergraduate education level. However, since 2020 during COVID-19 pandemic, there was an effect to ASIA Bangkok's business. The company had concerned to the interns' health safety, then the internship was restrained. Whne situation is better, ASIA will offer intership program to educational institution again.

## 4. Management Discussion and Analysis : MD&A

### 4.1 Analysis of operations and financial position

#### Overall picture of the business operations

Overview of business operations in the year 2021, the Thai economy, including the global economy, were affected by the Coronavirus 2019 (COVID 19) epidemic that occurred since the first quarter of 2020, resulting in a severe economic slowdown and many countries continue to have a growing number of infected and the restrict international travel, resulting in a slowdown in tourism impact. In the country, the impact of the epidemic control measures prevents some periods of training and seminars as ordered by the government. Consumption and consumption are also contracted. Both household purchasing power weakened in both income Employment and confidence.

The Thai government has measures to stimulate the economy such as projects to travel together, to help the expenses, and stimulate domestic tourism. In the beginning year 2022, The economy slowed down again due to a new outbreak (Omicron covid-19) and the government has some lockdown measures, causing an impact on domestic tourism and tourists are concerned about this situation.

The tourism situation in the country in the fourth quarter of 2021 has clearly recovered from the relaxation of measures to control the epidemic of the 2019 coronavirus (Omicron) by the government to stimulate tourism, The We Travel Together project started in mid-October 2021, resulting in a recovery in domestic travel in the 4th quarter, despite the epidemic of Covid-19, the Omicron strain. During the past period, the rate of vaccination has increased continuously, resulting in a significant decrease in the number of severe cases and deaths, which is a factor affecting the overall situation better.

Thailand has opened the country to accept foreign tourists through the Test & Go program, with only one day quarantine, starting November 1, 2021, for tourists who have been fully vaccinated. In which travelers entering the country must pass the regulations set by the government.

Due to the rapid epidemic situation of the Covid-19 virus, the Omicron strain that originated in the country causing risks, the government temporarily delayed accepting foreign tourists, and during January 2022, the Test & Go project was opened again.

The company continues to implement preventive measures covering all areas. To respond to the new lifestyle (New Normal), which such measures increase the confidence of the service users as well, and take measures to control costs and expenses to reduce the impact of unrecoverable income.

In the year 2021, the company and subsidiaries had total revenue of 599.85 million baht (in the year 2020 had total revenue of 810.54 million baht), a decrease of 210.69 million baht, or 25.99% from last year, consisting of revenue from hotel business a decrease of 152.94 million baht or 41.93% lower from last year and revenue from rental and service a decreased of 57.75 million baht or 12.95% lower. The total revenue of the hotel business group decreased from the previous year due to the Coronavirus 2019 (COVID 19) epidemic.

#### Overall picture of Revenue and gross profit from operating result in 2021

	Revenue				Cost				Gross Profit			
	2021	2020	Increase (decrease)	%	2021	2020	Increase (decrease)	%	2021		2020	
<b>Hotel Revenue</b>												
Room	161.17	240.03	(78.76)	-32.9%	176.43	193.24	(16.81)	-8.7%	(15.26)	-9.5%	46.79	19.5%
F&B	50.61	124.69	(74.08)	-59.4%	70.70	115.08	(44.38)	-38.6%	(20.09)	-39.7%	9.61	7.7%
	211.78	364.72	(152.94)	-41.9%	247.13	308.32	(61.19)	-19.8%	(35.35)	-16.7%	56.40	15.5%
<b>Rent &amp; Service Revenue</b>												
Domestic	351.39	419.58	(68.19)	-16.3%	347.49	384.07	(36.58)	-9.5%	3.90	1.1%	35.51	8.5%
Overseas	36.68	26.24	10.44	39.8%	8.99	9.79	(0.80)	-8.2%	27.69	75.5%	16.45	62.7%
	388.07	445.82	(57.75)	-13.0%	356.48	393.86	(37.38)	-9.5%	31.59	8.1%	51.96	11.7%
<b>TOTAL</b>	<b>599.85</b>	<b>810.54</b>	<b>(210.69)</b>	<b>-26.0%</b>	<b>603.61</b>	<b>702.18</b>	<b>(98.57)</b>	<b>-14.0%</b>	<b>(3.76)</b>	<b>-0.6%</b>	<b>108.36</b>	<b>13.4%</b>

The company and subsidiaries had revenue from hotel business of 211.78 million baht, decreased of 152.94 million baht or 41.93% from last year and revenue from rental and service of 388.07 million baht, decreased from last year 57.75 million baht or 12.95%.

The company and its subsidiaries had a total gross loss of 3.76 million baht, decreased from the previous year by 112.12 million baht., and had net loss (the net worth of the parent company) amount to 209.09 million baht, in the year 2020 had net loss 120.70 million baht, increased loss from last year 88.39 million baht. Mainly, the impact caused from the Coronavirus 2019 (COVID 19) pandemic.

## 1. Operation results and profitability

In an analysis of the operation results for 2021 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 2021 in the amount of 211.78 million baht, a decrease from the previous year by 152.94 million baht or 41.93% lower. The revenue from the hotel business consisted of income from rooms and income from food and beverages as follows:

Details on Revenue from Hotel Business (Unit: Million baht)	Room		Food & beverages		Total Hotel Business	
	2021	2020	2021	2020	2021	2020
<b>Revenue</b>						
Revenue from hotel business	161.17	240.03	50.61	124.69	211.78	364.72
Proportion of room : F&B	76.1%	65.8%	23.9%	34.2%	100.0%	100.0%
<b>Cost of sale</b>						
Cost ratio (Cost of Sale/ Revenue)	176.43	193.24	70.70	115.08	247.13	308.32
	109.5%	80.5%	139.7%	92.3%	116.7%	84.5%
<b>Gross Profit</b>						
GP margin (Gross profit/Revenue)	(15.26)	46.79	(20.09)	9.61	(35.35)	56.40
	-9.5%	19.5%	-39.7%	7.7%	-16.7%	15.5%

#### 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 Hotel 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 – Signal Hill, located 3201 E. Pacific High Way, Signal Hill, California, U.S.A..

The company and its subsidiaries had revenue from rooms in the year 2021 totaled 161.77 million baht (domestic room revenue 86.81 million baht and abroad room revenue 74.36 million), decreased from the previous year by 78.86 million baht, or 32.9% lower. It was resulted from the Coronavirus 2019 (COVID 19) pandemic.

The average room rate of the hotel business group in the year 2021 is 1,438 baht, in 2020 equal to 1,231 baht. The details of each hotel are as follows:

#### The average occupancy and the average room rate of hotel business

Average Occupancy (%)	2021	2020	Increased/(decreased)
Asia Hotel Bangkok	11.25%	28.86%	-17.61%
Asia Pattaya Hotel	21.71%	39.55%	-17.84%
Asia Airport Hotel	22.21%	23.79%	-1.58%
Asia Cha-um Hotel	14.32%	36.33%	-22.01%
Ratchapruerk Lanna Boutique	7.67%	20.94%	-13.27%
Darley Hotel Chiangmai	6.36%	20.74%	-14.38%
Quality Inn Long Beach Airport	71.88%	71.00%	0.88%

Average Room Rate (Baht)	2021	2020	Increased/(decreased)
Asia Hotel Bangkok	1,002.00	1,122.00	(120.0)
Asia Pattaya Hotel	967.00	915.00	52.00
Asia Airport Hotel	756.00	1,054.00	(298.00)
Asia Cha-um Hotel	930.00	929.00	(1.00)
Ratchapruerk Lanna Boutique	1,332.00	1,276.00	56.00
Darley Hotel Chiangmai	809.00	782.51	26.49
Quality Inn Long Beach Airport	3,830.00	3,009.00	820.00

Average Occupancy Rate (%)	2021	2020	Increased/(decreased)
	18.21%	31.80%	-13.59%

Average Room Rate (Baht)	2021	2020	Increased/(decreased)
	1438.00	1,231.00	207.00



Other than the revenue from the guest rooms in the hotels as mentioned above Asia Airport Hotel, which is a subsidiary also had incomes from serviced apartments, a long-term rent of rooms with the same service as a hotel. This revenue is not much compared with the room income of the hotels. In 2021 it had the revenue from the serviced apartments was 2.58 million, or about 11.23% 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 2021 amounted to 50.61 million baht, decreased from the previous year in the amount of 74.08 million baht, or 59.4% lower. They had the ratio of income from the room compare to food and beverage in 2021 was 76.1:23.9 and the ratio of income from the room compare to food and beverage in 2020 was 65.8:34.2

The income from food and beverage consist of hotel restaurant income and banquet income. The relationship between room income and restaurant income is not correlated as former time because the customer group has modified their online booking behavior. Most customers will book the room only.

## Income from rent and services

Income from rent and services came from the income from leasing space of Zeer Property and the subsidiaries. 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".

And at the end of 2016, the company had a joint venture with the former business owner. By establishing a new company "Spa Hotel Company Limited" to operate a hotel business "Darley Hotel" located at Tambon Chang Moi, Amphoe Mueang Chiang Mai, Chiang Mai Province, located near Waroros Market, opened for service in October 2018. On August 13, 2021, the company bought shares from the existing shareholders, causing the company to hold shares in Spa Hotel Company Limited, accounting for 100 percent of the company's registered capital. The service has been opened for 116 rooms in the project "Laan Sook Plaza" is currently open for service, store attention Because it is in the heart of the city, convenient to travel.

In August 13, 2021, 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)with 35 rooms. 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. with 74 rooms.

The rental business of the company had lower revenue in 2021. The company and its subsidiaries had income from rent and service amounted to 388.07 million baht, decreased from the previous year by 57.75 million baht or 13% 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	2021		2020		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Health club and car parking	3.00	6.20	3.57	4.32	(0.57)	- 15.97
Rental, Service and Electricity	27.29	56.42	44.05	53.34	(16.76)	-38.0
Gain on Exchange rate	-	-	0.31	0.38	(0.31)	-100.0
Gain from sale of assets	-	-	0.02	0.02	(0.02)	-100.0
Income on insurance compensation	0.39	0.81	0.79	0.96	(0.40)	-50.6
Guarantee for rental	-	-	16.53	20.01	(16.53)	-100.0
Others	17.69	36.57	17.32	20.97	0.37	2.14
<b>Total Other Income</b>	<b>48.37</b>	<b>100.00</b>	<b>82.59</b>	<b>100.00</b>	<b>(34.22)</b>	<b>-41.43</b>

In 2021 the company and its subsidiaries had other incomes totaling 48.37 million baht, decreased from the previous year amount 34.22 million baht or 41.43% lower.

## 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 2021, the Company and its subsidiaries had a total cost of sales and services of 702.18 million baht, a decrease of 330.08 million baht from the previous year or 32% lower, which was resulted from the Coronavirus 2019 (COVID 19) pandemic.

Cost of sale and service (Unit: Million baht)	Room		Food & beverages		Rent and service		Total Hotel Business	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Cost of sale</b>	176.43	193.24	70.70	115.08	356.48	393.86	603.61	702.18
Cost Ratio	109.5%	80.5%	139.7%	92.3%	91.9%	88.3%	100.6%	86.6%
<b>Gross Profit</b>	(15.26)	46.79	(20.09)	9.61	31.59	51.96	(3.76)	108.36
GP Margin	-9.5%	19.5%	-39.7%	7.7%	8.1%	11.7%	-0.6%	13.4%

In 2021 and 2020 the company and its subsidiaries has the cost ratio equaled 100.6% and 86.6% respectively. The company and its subsidiaries has gross (loss) profit margin in 2021 and 2020 equaled -0.6% and 13.4% respectively. The cost of sale and service can be classified as following:

### a) Cost of room sale

In 2021, the Company and its subsidiaries had cost of room sale of 176.43 million baht, a decrease of 16.81 million baht from the previous year or 8.7% lower. The cost of sales ratio for the year 2021 and 2020 is 109.5% and 80.5% respectively and the gross profit (loss) margin (GP Margin) for the year 2021 and 2020 is -9.5% and 19.5% respectively.

### b) Cost of food sale and beverages

In 2021, the company and its subsidiaries had the cost of food and beverage sale of 70.70 million baht, in the year 2020 had the cost of food and beverage sale of 115.08 million baht. There were the ratio of the cost of food and beverage sale for 2021 and 2020 equaled to 139.7% and 92.3% and the gross profit (loss) margin for 2021 and 2020 equaled to -39.7% and 7.7% respectively.

### Cost of rental and service

In 2021 the company and its subsidiaries had the cost of rent and service at 356.48 million baht, a decreased by 37.38 million baht, or 9.5% lower from the previous, so the gross profit margin for rental and service income was lower. The Cost ratio for 2021 and 2020 equaled to 91.9% and 88.3%, and the gross profit margin for 2021 and 2020 equaled to 8.1% and 11.7% respectively.

### Expenses on the sale, administration and others

In 2021 the company and its subsidiaries incurred the expense on sale and service and other expenses totaled 122.71 million baht, decreased from the last year by 53.16 million baht, or 30.23% lower.

Expenses on the sale, administration and others (Unit: Million)	2021	2020	Increase (decrease)	
			Amount	%
Distribution Cost	20.62	36.90	(16.28)	-44.12
Administrative expense	98.77	132.48	(33.71)	-25.45
Management benefit expense	3.32	5.80	(2.48)	-42.76
Directors' remuneration	-	0.69	(0.69)	-100.0
<b>Total Other Expense</b>	<b>122.71</b>	<b>175.87</b>	<b>(53.16)</b>	<b>-30.23</b>

### Profit before the financial cost and the income tax

In 2021, the company and its subsidiaries had the loss from operating activities amounted to 78.10 million baht, while had profit from operating activities in 2020 amounted to 15.07 million baht.

In 2021, the company and its subsidiaries had the financial cost amounted to 120.37million baht, decreased from the previous year by 3.95 million baht.

## Earnings before Income Tax and Income Tax Expense

In 2021 the company and its subsidiaries had the loss before income tax totaled 203.87 million baht, an increased loss from the previous year of 81.17 million baht, and the company incurred an expense tax revenue in 2021 totaling 6.75 million baht.

### Net Profit

#### Ratio of profitability

		<u>2021</u>	<u>2020</u>	<u>2019</u>
Net profit margin	percentage	(32.26)	(13.51)	(3.85)
Return on equity (ROE)	percentage	(3.66)	(2.23)	(1.00)
Return on assets (ROA)	percentage	(2.08)	(1.27)	(0.58)

In 2021 the company and its subsidiaries had a net loss (net worth of the parent company) totaled 209.09 million baht, increased loss from the previous year by 88.39 million baht and loss per share equaled to 0.65 baht (in 2020 loss per share equaled to 0.38 baht). The company had the net profit margin equaled to -32.26%, which lower from the previous years (2020 and 2019 had the net profit margin equaled to -13.51% and -3.85% respectively). It shows the return on equity (ROE) in 2021 equaled to -3.66% and the return on assets (ROA) equaled to -2.08%.

## 2. Capability of Asset Management

The change in assets, liabilities, and shareholders' equity in 31 December 2021 compared to 31 December 2020

	31/12/2021	31/12/2020	Increased (Decreased)	Portion
Total Assets	10,500.93	9,569.28	931.65	9.74%
Total Liabilities	4,430.36	4,228.89	201.47	4.76%
Total shareholders' equity	6,070.57	5,434.39	730.18	13.67%

### Structure of the assets

As of 31 December 2021 the company and its subsidiaries had the consolidated assets amounted to 10,500.93 million baht, increased over the previous year by 931.65 million baht, or 9.74% higher. It has details on the increase or decrease from the previous year of each type of assets as follows:

The company and its subsidiaries had the consolidated current assets of 287.75 million baht, increased from previous year by 3.75 million baht, or 1.32% higher. Since the company had cash and cash equivalents increased from the previous year by 6.14 million baht, consisted of cash on hand increased by 0.38 million baht, cash at bank increased by 5.42 million baht, and non-clearing cheques increased by 0.34 million baht.

The company and its subsidiaries had non-current assets totaled 10,213.18 million baht, increased from the previous year by 927.90 million baht, or 9.99% higher due to investment properties was decreased by 1.89 million baht, property, plant and equipment was increased by 954.88 million baht, goodwill was increased by 4.51 million baht, right of use assets – net was decreased by 18.63 million baht, intangible assets was decreased by 1.99 million baht, deposit for purchase of assets was increased by 0.22 million baht, other non-current assets was decreased by 9.71 million baht.

The structure of the assets of the company and its subsidiaries on 31 December 2021 compared with 2020 can be summarized as follows:



List of Assets	2021		2020		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Current assets</b>						
Cash and the equivalent	112.85	1.07	106.71	1.12	6.14	5.75
Current investment	0.76	0.01	0.72	0.01	0.04	5.56
Trade and other receivables	134.45	1.28	136.25	1.42	(1.80)	-1.32
Inventory	39.69	0.38	40.33	0.42	(0.63)	-1.56
<b>Total Current assets</b>	<b>287.75</b>	<b>2.74</b>	<b>284.00</b>	<b>2.97</b>	<b>3.75</b>	<b>1.32</b>
<b>Non-current assets</b>						
Restricted deposits with financial institution	4.00	0.04	4.00	0.04	0	0.00
Investment Properties	52.68	0.50	54.57	0.57	(1.89)	-3.46
Land, building and equipment	9,673.26	92.12	8,718.38	91.11	954.88	10.95
Right-of-use assets	420.87	4.01	439.50	4.59	(18.63)	-4.24
Goodwill	44.62	0.42	40.11	0.42	4.51	11.24
Intangible asset	6.66	0.06	8.65	0.09	(1.99)	-23.01
Deferred tax assets	3.66	0.03	3.15	0.03	0.51	16.19
Deposit for purchase of asset	4.85	0.05	4.63	0.05	0.22	4.75
Other non-current assets	2.58	0.02	12.29	0.13	(9.71)	-79.01
<b>Total non-current assets</b>	<b>10,213.18</b>	<b>97.26</b>	<b>9,285.27</b>	<b>97.03</b>	<b>927.90</b>	<b>9.99</b>
<b>Total assets</b>	<b>10,500.93</b>	<b>100.00</b>	<b>9,569.28</b>	<b>100.00</b>	<b>931.65</b>	<b>9.74</b>

In the above table can be seen that the company and its subsidiaries had the structure of the current assets was increased by 3.75 million baht and the non current assets was increased by 927.90 million baht from the previous year, there were current assets of about 2.74% and the non-current asset of about 97.26%. The company had the return of assets in 2021 equaled to -2.08% and in 2020 equaled to -1.27%.

#### A) Inventory

As of 31 December 2021 the company and its subsidiaries had net inventory of 39.69 million baht, decreased from the previous year by 0.63 million. It consisted of inventory of the restaurant business amounted to 6.45 million baht and the inventory of the hotel business of 33.37 million baht. The company and its subsidiaries had the current inventory ratio in 2021 equaled to 9 times and the duration of average goods sold equaled to 41 days. 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 2021 amounting to 0.13 million baht and in 2020, this has not changed.

#### B) Land, Building and Equipment

As of 31 December 2021 the company and its subsidiaries had the net book value of the land, buildings and equipment valued at 9,673.26 million baht, up from the previous year by 954.88 million baht, or 10.95% higher. The company and its subsidiaries had the rate of asset turning in 2021 equaled to 0.06 times. The increase or decrease of land, buildings and equipment in 2021 and depreciation charge of the asset value can be summarized according to the table below:

Land, Building and Equipment (Unit: Million Baht)	31 Dec.2020		Increased Purchase Sale/Transfer		31 Dec.2021	
	Historical cost	Revaluation surplus	Increase	Decrease	Historical cost	Revaluation surplus
<b>Cost/increased price</b>						
Land and cost of land improvement	689.49	2,891.82	1,266.45		722.13	4,125.64
Building and its improvement	4,751.45	3,583.88	150.18	231.48	4,901.63	3,352.39
Work under construction	152.58		22.36	164.62	10.32	
Equipment, vehicle and others	2,080.46		67.06	2.86	2,144.66	
Total cost and appreciated price	7,673.98	6,475.69	1,506.05	63.21	7,673.99	6,475.69
	14,149.68				15,256.77	
<b>Accrued depreciation cost</b>						
Land improvement	1.54				1.54	
Building/improvement-Historical cost	2,410.48		105.56		2,516.04	
Building/improvement-Revaluation surplus		1,161.18	84.12	102.70		1,142.60
Equipment, vehicle and other	1,858.10		67.67	2.44	1,923.33	
Total accrued depreciation	4,270.12	1,161.18	257.35	105.14	4,270.13	1,161.17
	5,431.30				5,583.51	
<b>Net accounting value</b>						
Land and cost of improvement	687.95	2,891.82			720.59	4,125.64
Building and its improvement	2,340.98	2,422.70			2,385.59	2,209.79
Work under construction	152.58				10.32	
Equipment, vehicle and others	222.36				221.33	
Total net accounting value	3,403.86	5,314.52			3,337.83	6,335.43
	<b>8,718.38</b>				<b>9,673.26</b>	

The company has land, building, and equipment for 9,673.26 million baht in 2021 which is 954.88 million baht, increased from the previous year as follow:

- Land and cost of improvement – the historical cost is 720.59 million baht, increased from the previous year by 32.6 million baht or 4.74% higher.
- Land and cost of improvement – the revaluation surplus is 4,125.64 million baht, increased from the previous year by 1,233.82 million baht or 42.67% higher.
- Building and its improvement – the historical cost is 2,385.59 million baht, increased from the previous year by 44.63 million baht or 1.91% higher.
- Building and its improvement – the revaluation surplus is 2,209.79 million baht, decreased from the previous year by 212.9 million baht or 8.79% lower.
- Work under construction – 10.32 million baht, decreased from the previous year by 142.26 million baht or 93.24% lower.
- Equipment, vehicle and others – 221.33 million baht, decreased from the previous year by 1.03 million baht or 0.46% lower.

Depreciation in the statements of profit or loss for the years ended December 31, 2021 and 2020 are as follow:

Unit : Thousands Baht

	2021	2020
Depreciation - Historical Cost	164,440	193,673
Depreciation – Revaluation Surplus	84,115	87,194
<b>Total Depreciation</b>	<b>248,555</b>	<b>280,867</b>

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. This year, the company has assessed the assets of Asia Hotel Public Company Limited and Asia Pattaya Hotel Company Limited

As at March 31, 2021, the subsidiary– Asia Pattaya Hotel Co., Ltd. engaged independent appraiser to reappraise land, building and building improvement are as follows:

- Land, according to the appraisal report dated April 22, 2021, having the appraised value, based on the market approach method, totaling Baht 1,526.08 million. The subsidiary recognised the revaluation surplus of Baht 92.92 million in the statement of comprehensive income.
- Building and building improvement, according to the appraisal report dated April 22, 2021, having the appraised value, based on the depreciated replacement cost approach method, totaling Baht 21.28 million. The subsidiary recorded the reversal of the revaluation surplus of Baht 144.98 million in the statement of comprehensive income and recognised loss from fixed assets revaluation of Baht 5.60 million in profit or loss.

As at December 31, 2021, the Company engaged independent appraiser to reappraise land, building and building improvement, according to the appraisal report dated February 11, 2022, having the appraised value, based on the market approach method, totaling Baht 3,104.22 million. The Company recognised the revaluation surplus for land of Baht 1,134.15 million and for building and building improvement of Baht 21.80 million in the statement of comprehensive income.

### C) Trade debtors and other debtors

As of 31 December 2021, the company and its subsidiaries had trade debtors and other debtors amounted to 134.45 million baht, decreased from the previous year by 1.80 million baht. It consisted of trade debtors – net decreased by 10.22 million baht and other debtors increased by 8.42 million baht.

Details on trade debtors and other debtors	2021		2020		Increase (decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Trade debtors – net</b>						
Trade debtor – hotel business	7.73	9.01	32.26	33.60	(24.53)	-76.04
Trade debtor- rental shopping business	<u>78.07</u>	<u>90.99</u>	<u>63.76</u>	<u>66.40</u>	<u>14.31</u>	22.44
	<u>85.80</u>	<u>100.00</u>	<u>96.02</u>	<u>100.00</u>	<u>(10.22)</u>	-10.64
<b>Other debtors</b>						
Construction prepayment	-		-		-	-
Advance payment and other debtor	<u>48.65</u>		<u>40.23</u>		<u>8.42</u>	20.93
	<u>48.65</u>		<u>40.23</u>		<u>8.42</u>	20.93
<b>Total trade debtors and others</b>	<b>134.45</b>		<b>136.25</b>		<b>(1.80)</b>	<b>-1.32</b>



In 2021 the company and its subsidiaries had the average debt collection of about 396 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 2020	ASIA, AP, AA Hotels		ZP Shopping Center		Total
	Million Baht	%	Million Baht	%	Million Baht
Before the due debt	4.43	33.87	8.98	8.39	
Debt owed 1-30 days	1.30	9.94	16.49	15.40	
Debt owed 31-60 days	0.18	1.38	15.18	14.18	
Debt owed 61-90 days	0.04	0.31	8.84	8.26	
Debt owed 91-365 days	1.09	8.33	24.62	22.99	
Debt owed more than 1 year	<u>6.04</u>	<u>46.17</u>	<u>32.96</u>	<u>30.78</u>	
	13.08	100.00	107.07	100.00	120.15
<u>Deduct</u> – Allowance for bad debts	<u>5.35</u>		<u>31.64</u>		<u>36.99</u>
Trade debtor – net	7.73		75.43		83.16
Prepaid check	-		2.64		2.64
Total trade debtor – net	7.73		78.07		85.80

### Commitments in Liabilities

The consolidated liabilities of the company and its subsidiaries as of 31 December 2021 had 4,430.36 million baht compared with the total consolidated liabilities on 31 December 2020 valued at 4,228.89 million baht. The liabilities were increased by 201.47 million baht, the company and subsidiaries may have liabilities as follow:

- Letters of guarantee issued by banks Letters of guarantee issued by banks total equals 26.4 million baht.
- The Company guarantees liabilities of its two subsidiaries in the amount of 1,679.50 million baht.
- The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of 2,517 million baht.
- The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and another subsidiary in the amount of 3,026 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 480 million baht from a bank.
- The Company- Asia Hotel Public Co., Ltd. has credit line for façade and breakfast room at Fl.3 improvement of 4.24 million baht.
- The subsidiary - Zeer Property Plc. has obligation to pay for construction project in the future in the amount of Baht 23.74 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 in the amount of 0.41 million baht.
- The subsidiary– Zeer Asset Co., Ltd. has obligation to pay for improvement of dinning room and lobby project of hotel in the amount of 0.34 million baht.

### 3. Liquidity and Sufficiency of the Capital of the Company

#### Ratio of liquidity

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Liquidity ratio (time)	0.40	0.48	0.33
Ratio of quick ratio (time)	0.35	0.41	0.27

As of 31 December 2021, the company and its subsidiaries had liquidity ratio equal 0.40 time and a ratio of quick ratio equal 0.35 time due to the cash and cash equivalents of the company was increased by 6.14 million baht and trade receivable was decreased by 0.63 million baht.

## Debt Management Ratios

		<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt to equity ratio	(time)	0.73	0.79	0.73
Interest coverage ratio	(time)	2.59	2.93	4.25

In 2021 the company and its subsidiaries had total liabilities of 4,430.36 million baht, an increase by 201.47 million baht from the previous year. The shareholder's equity equals 6,070.57 million baht in 2021, while in 2020 equals 5,340.39 million baht, an increase by 730.18 million baht, thus the debt to equity ratio was 0.73 times in 2021 and the debt to equity ratio in the year 2020 was 0.79 times.

The interest coverage ratio in 2021 was 2.59 times compared to 2.93 times in 2020.

## 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)		
	2021	2020	2019
Net cash provided by operating activities	185.17	239.85	406.10
Net cash used in investing activities	(32.07)	(77.71)	(174.55)
Net cash used in financing activities	(152.10)	(105.56)	(235.70)
Cash & the equivalent increased (decreased)	1.00	56.58	(4.15)
Difference from conversion of finance	5.13	(0.47)	(2.15)
Cash and cash equivalent at the beginning of period	106.71	50.60	56.90
Cash & the equivalent at the ending of period	112.85	106.71	50.60

In 2021 the company and its subsidiaries had net cash from operating activities by 185.17 million baht decreased from the last year equaled 54.68 million baht. The company paid net cash in the investment activities amounted to 32.07 million baht, which was a purchase of fixed assets and assets payable. It also paid net cash from financing activities for 152.10 million baht, which is paid cash interest to the financial institutions.

## Sources of Investment Funds

### Loans from financial institutions

Long-term loans from financial institution - net as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
Long-term loans from banks	2,211,588	2,185,645	542,129	531,001
<u>Less</u> current portion of long-term loans from financial institutions	(353,623)	(194,241)	(60,000)	(44,000)
Total long-term loans - net	1,857,965	1,991,404	482,129	487,001

## **4.2 Factors affecting the operation and financial statement in the future**

### **External Factor**

#### The downward trend of the severity of the pandemic

The emergence of new COVID-19 species, Omikron, showed a lowered severity in comparison to the previous Delta species. Omicron coronavirus cases have shown common flu symptoms. However, the rapid spread caused businesses to remain concerned about the situation. Currently, the government policy issued the 'Test and Go' policy, lifted the quarantine measures, for visitors entering Thailand. Moreover, the government lifted the controlled area as well as curfews. People are doing business and living life close to normal.

#### Government measures to stimulate hotel business and domestic spending

The government issued measures to stimulate spending in the tourism sector. "We Travel Together", "Khon La Krueng subsidy", and "Shop Dee Mee Khuen" projects are issued to fire spending. As a result of such measures, people and domestic tourists are expected to spend, travel, enjoy their vacation in the country.

#### The Political Stability of Thailand

In 2021, although political rallies have decreased, in comparison to the rallies that happened in 2020. The political stability in Thailand remains questionable. There are uncertainties in the coming national election. The tourism industry has been affected by the unstable political events of the past ten years.

### **Interior Factor**

#### Resilience Management

Under the uncertain throughout 2021, the number of infected people increases and decreases daily. Together, implement and lift the measures changeably. The management residences to retain the cash flow of the hotel and rental business marks the significant factor. Asia Hotel Bangkok and Asia Pattaya Hotel become hospitel, work with the hospital to quarantine mild symptoms cases. With the increase in the number of cases, Asia Airport Hotel partners with a factory under Bubble and Seal measure, restricting travel among workers, to stay at the hotel. As the situation is getting back to normal, the hotels are open for tourists as usual.

#### Diversification of investment in various asset type

In 2021, the businesses remain impacted by by the COVID-19, Net Cash Flow is 112.84 Million THB, underlining the stable and strong cash position. With this strong cash position, mostly from the subsidiary company, rental business and returns from investment in the US.

#### Labour Shortage

Due to the covid-19 pandemic crisis, the number of staff was reduced as there are have been decreased as there is less number of visitors staying at the hotel. Many employees chose to return to their hometowns. Many of them have not come back. In the short term, during the long holiday, there was an increase in occupancy, the management managed to hire part-time staffs to finish the workload. As the situations are returning to normal, the company plans to recruit employees back from our network in Bangkok and other provinces.



## 4.3 Important Financial Information

### 1. Table of Consolidate Financial Statement

#### ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

#### STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021, 2020 AND 2019

(Unit : Million Baht)

Item	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	112.85	1.07	106.71	1.12	50.60	0.53
Other current financial assets	0.76	0.01	0.72	0.01	0.72	0.01
Trade and other receivables-net	134.45	1.28	136.25	1.42	120.97	1.28
Inventories-net	39.69	0.38	40.33	0.42	42.68	0.45
Total current assets	287.75	2.74	284.01	2.97	214.97	2.27
<b>Non-current assets</b>						
Restricted deposit with financial institution	4.00	0.04	4.00	0.04	4.00	0.04
Investment properties -net	52.68	0.50	54.57	0.57	56.56	0.60
Property, plant and equipment	9,673.26	92.12	8,718.38	91.11	8,943.73	94.42
Right-of-use assets	420.87	4.01	439.50	4.59	0.00	0.00
Goodwill	44.62	0.42	40.11	0.42	40.26	0.43
Intangible assets -net	6.66	0.06	8.65	0.09	11.06	0.12
Deferred tax assets	3.66	0.03	3.15	0.03	2.67	0.03
Prepaid rental	0.00	0.00	0.00	0.00	176.15	1.86
Deposit for purchase of assets	4.85	0.05	4.63	0.05	6.30	0.07
Other non-current assets	2.58	0.02	12.28	0.13	16.51	0.17
Total non-current assets	10,213.18	97.26	9,285.27	97.03	9,257.24	97.73
<b>Total assets</b>	<b>10,500.93</b>	<b>100.00</b>	<b>9,569.28</b>	<b>100.00</b>	<b>9,472.21</b>	<b>100.00</b>

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021 , 2020 AND 2019**

(Unit : Million Baht)

Item	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans						
from financial institutions	220.04	2.10	224.16	2.34	220.17	2.32
Trade payables	14.13	0.13	21.65	0.23	31.85	0.34
Other current payables	68.31	0.65	94.96	0.99	97.51	1.03
Current portion of long-term loan from financial	353.62	3.37	194.24	2.03	243.01	2.57
Current portion of lease liabilities	7.97	0.08	24.66	0.26	1.39	0.01
Current portion of deferred income	6.50	0.06	7.68	0.08	7.68	0.08
Short-term loans and accrued interest expense	10.41	0.10	0.00	0.00	0.00	0.00
Assets payable	23.45	0.22	26.98	0.28	47.58	0.50
Accrued income tax	10.74	0.10	1.81	0.02	0.00	0.00
Total current liabilities	715.71	6.81	596.14	6.23	649.19	6.78
<b>Non-current liabilities</b>						
Long-term loan from financial institutions - net	1,857.96	17.69	1,991.40	20.81	1,919.65	20.27
Liabilities under financial lease agreements - net	221.46	2.11	228.51	2.39	0.00	0.00
Deferred tax liabilities	1,356.54	12.92	1,135.28	11.28	1,138.11	12.02
Employee benefit obligation	133.12	1.27	127.00	1.33	114.19	1.21
Guarantee for rental	133.97	1.28	141.59	1.48	163.83	1.73
Deferred revenue – leasehold rights on leased area	0.00	0.00	4.80	0.05	11.27	0.12
Deferred revenue from government grant	8.66	0.08	0.00	0.00	0.00	0.00
Other non-current liabilities	3.48	0.03	4.17	0.04	4.92	0.05
Total non-current liabilities	3,715.19	35.38	3,632.75	37.96	3,351.97	35.39
Total liabilities	4,430.36	42.19	4,228.89	44.19	4,001.16	42.24

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021 , 2020 AND 2019**

(Unit : Million Baht)

Item	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
<b>Shareholders' equity</b>						
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	3.05	320.00	3.34	320.00	3.34
Capital surplus						
Premium on share - sale of parent's common share held						
By subsidiaries	112.74	1.07	112.74	1.18	112.74	1.19
Surplus on change of proportion interest in subsidiary	34.75	0.33	35.67	0.37	36.40	0.38
Retained earnings						
Legal reserve	45.61	0.43	45.61	0.48	45.61	0.48
Unappropriated	360.42	3.43	505.35	5.28	559.45	5.91
Other components of equity	5,041.88	48.01	4,163.25	43.51	4,231.91	44.68
Total equity of the parent company	5,915.40	56.33	5,182.62	54.12	5,306.11	56.02
Non-controlling interests	155.17	1.48	157.77	1.65	164.94	1.74
Total shareholders' equity	6,070.57	57.81	5,340.39	55.81	5,471.05	57.76
<b>Total liabilities and shareholders' equity</b>	<b>10,500.93</b>	100.00	<b>9,569.281</b>	100.00	<b>9,472.21</b>	100.00



**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021, 2020 AND 2019**

(Unit : Million Baht)

Item	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
<b>REVENUES</b>						
Income from hotel business	211.78	35.31	364.72	45.00	770.57	56.82
Rental and services income	388.07	64.69	445.82	55.00	589.56	43.18
<b>Total revenues</b>	<b>810.54</b>	<b>100.00</b>	<b>810.54</b>	<b>100.00</b>	<b>1,356.13</b>	<b>100.00</b>
<b>COST OF SALES AND SERVICES</b>						
Cost of hotel business	247.13	41.20	308.32	38.04	540.82	39.88
Cost of rental and services	356.48	59.43	393.86	48.59	491.44	36.24
<b>Total cost of sales and services</b>	<b>603.61</b>	<b>100.63</b>	<b>702.18</b>	<b>86.63</b>	<b>1,032.26</b>	<b>76.12</b>
<b>GROSS PROFIT</b>	<b>(3.76)</b>	<b>(0.63)</b>	<b>108.36</b>	<b>13.37</b>	<b>323.87</b>	<b>23.88</b>
Other income	48.37	8.06	82.59	10.19	83.65	6.17
<b>Profit before expenses</b>	<b>44.61</b>	<b>7.44</b>	<b>190.95</b>	<b>23.56</b>	<b>407.52</b>	<b>30.05</b>
Distribution Cost	20.62	3.44	36.90	4.55	78.32	5.78
Administrative expenses	98.77	16.47	132.48	16.34	244.64	18.04
Management benefit expenses	3.32	0.55	5.80	0.72	16.03	1.18
Directors' remuneration	0.00	0.00	0.69	0.09	5.11	0.38
<b>Profit before financial cost</b>	<b>(78.10)</b>	<b>(13.02)</b>	<b>15.08</b>	<b>1.86</b>	<b>63.42</b>	<b>4.68</b>
Financial cost	120.37	20.07	124.32	15.34	123.51	9.11
Impairment loss determined in accordance TFRS 9	5.40	0.90	13.45	1.66	0.26	0.02
<b>Profit (loss) before income tax</b>	<b>(203.87)</b>	<b>(33.99)</b>	<b>(122.69)</b>	<b>(15.14)</b>	<b>(60.35)</b>	<b>(4.45)</b>
<b>Income tax (expense) revenue</b>	<b>6.75</b>	<b>1.13</b>	<b>0.39</b>	<b>(0.05)</b>	<b>(4.77)</b>	<b>(0.35)</b>
<b>Net profit for the year</b>	<b>(210.62)</b>	<b>(35.11)</b>	<b>(122.30)</b>	<b>(15.09)</b>	<b>(55.58)</b>	<b>(4.10)</b>

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021, 2020 AND 2019**

(Unit : Million Baht)

Item	2021	2020	2019
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Acturial gain (loss)			(0.08)
Difference on exchange rate from currency translation	62.19	(2.17)	(42.58)
Profit from revaluation of new assets	1,103.88	-	-
Changes in revaluation surplus	-	-	-
Income tax on other comprehensive income			
Relating to items that will not be reclassified to profit or loss	(220.77)	-	0.02
Other comprehensive income (loss) for the year	945.80	(2.17)	(42.64)
<b>Total comprehensive income for the year</b>	735.18	(124.47)	(98.22)
<b>Attributable to:</b>			
Equity holders of the parent	(209.09)	(120.70)	(55.46)
Non-controlling interests	(1.53)	(1.60)	(0.13)
	(210.62)	(122.30)	(55.59)
<b>Total comprehensive income attributable to</b>			
Equity holders of the parent	733.70	(122.76)	(95.98)
Non-controlling interests	1.48	(1.59)	(2.25)
	735.18	(124.46)	(98.23)
<b>BASIC EARNINGS PER SHARE</b>			
Basic earnings per share (Baht)	(0.65)	(0.38)	(0.17)
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, 2021, 2020 AND 2019**

(Unit : Million Baht)

Item	2021	2020	2019
<b>Cash flows from operating activities:</b>			
Net profit before corporate income tax	(210.62)	(122.30)	(55.59)
Adjustment to reconcile net profit (loss) to cash provided by (used in) operating activities			
Income tax expense (revenue)	6.75	(0.39)	(4.77)
Non-current provisions for employee benefit	16.12	14.81	34.89
Depreciation	250.46	382.88	305.51
Amortized prepaid rental	0.00	0.00	23.55
Amortized intangible assets	2.30	2.57	1.75
Depreciation right-of-use assets	17.70	18.45	0.00
Impairment loss determined in accordance with TFRS 9)	5.40	13.45	0.26
Loan from fixed asset revaluation	5.60	0.00	0.00
Gain on measurement fair value of derivatives contract	(0.02)	0.00	0.00
(Gain) loss on sale of fixed assets	0.24	(0.09)	1.28
Loss from written off fixed assets	0.00	0.33	0.76
Corporate income tax deducted at source written off	0.79	0.85	0.24
Income on leasehold rights	(5.99)	(6.47)	(6.63)
Revenue from government grant	(1.51)	0.00	0.00
Loss on Goodwill impairment	-	0.00	4.90
Financial cost – interest expense	120.37	124.32	123.51
Profit from operations before changes in operating assets and liabilities	207.59	328.41	424.76
Operating assets (increase) decrease			
Trade and other receivables	6.41	(26.40)	(0.66)
Inventories	0.64	2.35	0.43
Other non-current assets	(1.07)	(0.39)	(3.92)
Operating liabilities increase (decrease)			
Trade payables	(4.32)	(10.19)	2.59
Other current payables	(3.97)	(25.91)	0.00
Guarantee for rental	(7.62)	(22.24)	(1.34)
Other non-current liabilities	(0.69)	(0.75)	(0.08)



**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (continue)**

**FOR THE YEAR ENDED DECEMBER 31, 2021, 2020 and 2019**

(Unit : Million Baht)

<b>Item</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cash received from operating activities	196.97	244.88	421.78
Cash paid for non-current provisions for employee benefit	(10.00)	(2.01)	(3.14)
Corporate income tax refund	9.71	10.00	7.07
Corporate income tax paid	(11.51)	(13.02)	(19.61)
Net cash provided by (used in) operating activities	185.17	239.85	406.10
<b>Cash flow from investing activities:</b>			
Cash paid for deposit for purchase of assets	(0.40)	(0.46)	(1.35)
Cash received from sale of fixed assets	0.32	0.11	2.13
Cash received from government grant	10.17	0.00	0.00
Cash paid for purchase of fixed assets and intangible assets	(18.17)	(42.32)	(106.11)
Cash paid for prepaid rental	0.00	0.00	(33.83)
Assets payable decrease	(23.99)	(35.04)	(35.39)
Net cash used in investing activities	(32.07)	(77.71)	(174.55)
<b>Cash flow from financing activities:</b>			
Bank overdraft and short loan from financial institution increase (decrease)	(4.12)	3.99	95.72
Cash received for short-term loans and accrued interest expense-related parties	10.00	0.00	0.00
Cash paid for financial cost	(128.17)	(85.02)	(123.55)
Cash paid for dividend	0.00	0.00	(26.06)
Non-controlling interests decrease from investment in subsidiary	(5.00)	(6.20)	0.00
Cash paid for long-term loans	(32.97)	(55.04)	(212.81)
Cash received from long-term loans	43.38	74.17	32.45
Cash paid for liabilities under financial lease agreement	(35.22)	(37.46)	(1.45)
Net cash used in financing activities	(152.10)	(105.56)	(235.70)
<b>Cash and cash equivalents decrease - net</b>	1.00	56.58	(4.15)
<b>Difference from currency translation</b>	5.13	(0.47)	(2.15)
<b>Cash and cash equivalents at the beginning of year</b>	106.71	50.60	56.90
<b>Cash and cash equivalents at the ending of year</b>	112.84	106.71	50.60

## 2. Financial Ratio

### ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

#### Financial Ratio (Consolidated Financial Statement)

FOR THE YEAR ENDED DECEMBER 31, 2021, 2020 and 2019

Item		2021	2020	2019
<b><u>Liquidity Ratio</u></b>				
Current Ratio	(time)	0.40	0.48	0.33
Quick Ratio	(time)	0.35	0.41	0.27
Cash Flow Ratio	(time)	0.28	0.39	0.69
Account Receivable Turnover	(time)	0.91	4.94	9.35
Average Collection Period	(day)	395.60	72.87	38.50
Inventory Turnover	(time)	8.80	13.17	20.05
Average Inventory Period	(day)	40.91	27.33	17.96
Account Payable Turnover	(time)	33.73	26.25	33.78
Average Payment Period	(day)	10.67	13.71	10.66
Cash Cycle	(day)	425.84	86.49	45.80
<b><u>Profitability Ratio</u></b>				
Gross Profit Margin	(%)	(0.63)	13.37	23.88
Operating Profit Margin	(%)	(33.09)	(13.48)	(4.43)
Cash ratio to Profitability	(%)	(93.30)	(219.56)	(675.75)
Net Profit Margin	(%)	(32.26)	(13.51)	(3.85)
Return on Equity	(%)	(3.66)	(2.23)	(1.00)
<b><u>Efficiency Ratio</u></b>				
Return on Asset	(%)	(2.08)	(1.27)	(0.58)
Return on Fixed Asset	(%)	0.45	1.82	2.75
Total Asset Turnover	(time)	0.06	0.09	0.15
<b><u>Financial Policy Ratio</u></b>				
Debt /Equity Ratio	(time)	0.73	0.79	0.73
Interest Coverage Ratio	(time)	2.59	2.93	4.25
Commitment Ability Payment Ratio (cash basis)	(time)	1.01	1.31	0.99
Dividend Payout Ratio (Based on the net profit of the company financial statements)	(%)	0.00	0.00	83.33
<b><u>Growth Ratio</u></b>				
Total Assets	(%)	9.74	1.02	(2.11)
Total Liabilities	(%)	4.76	5.69	(1.95)
Net Profit	(%)	73.23	117.63	(1,910.23)

## 5. 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 Phayathai Road, ThanonPetchaburi, 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.

### 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. Sathien Vongsnan C.P.A (Thailand) No. 3495 or  
: Miss Patcharee Siriwongsin C.P.A (Thailand) No. 9037 or  
: Miss Panita Chotesaengmaneekul C.P.A (Thailand) No. 9575

Address : 100/72, 22<sup>nd</sup>100/2 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

### 5.2 Other Information -None-

### 5.3 Legal Dispute

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



## PART 2

### Corporate Governance

#### 6. Policy on Corporate Governance

##### 6.1 Overview of Corporate Governance Policies and Practices

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.

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 that the Company is doing 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](http://www.asiahotel.co.th)). In December 2019, the company reviewed the policy, principles of corporate governance to improve more clearly. The Board of Directors Meeting No. 12/2019 has approved some additional covers and completely and publish on the company website as well.

The company has adopted the principles of good governance. Please see Attachment 5 in the topic Others

### 6.1.1 Policies and Practices related to Director

In 2020, the Board of Directors approved the principles of corporate governance “CG Code” (Issue 2561) on December 13, 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.

The company has a process for selecting directors, by having a succession plan, and proposed to the Nomination and Remuneration Committee for consideration. In this regard, the Company has given the opportunity for minority shareholders to nominate a person to be the Company's director in advance at the next annual general meeting of shareholders. At the beginning of October to December, there was stipulated various rules and notify the news through of the Stock Exchange of Thailand website and the company website. On the due, the company informs the nomination results of new assigned directors around January of every year, which in the past has not been proposed by any shareholder.

The company has encouraged its directors to develop their potential especially new directors, take the DCP Course (Director Certificate Program) of the Thai Institute of Directors (IOD), which is a course in which directors must perform their duties with care, complying with the rules and regulations of the company, resolutions of the Board of Directors and Shareholders' Meeting with honesty, disclosing information to shareholders correctly, transparently. The company is ready to propose other courses if directors are interested. See detail of directors as attachment 1. In 2021, due to the spread of COVID19, it was inconvenient to participate in training activities with IOD.

In addition, the Company has assigned all Board of Directors to prepare a self-assessment for both group and individual, the self-assessment form of good corporate governance includes making an assessment of the sub-committees, to assess the performance of the previous year in January of each year and bring the assessment results to be summarized in the annual report.

However, to balance and to inspect the execution of the Company, board of directors' structure will consists of 9 members of non-management executives that more than a half of total members of directors and the Company also appointed 6 members as independent directors (more than 1/3 of 13 members of board of directors), 4 members of independent as audit committee. The company also appointed audit committee and nomination and remuneration committee that is the independent committee, responsible for selecting director or CEO or Managing Director and proposing to the Board of Directors Meeting, supporting the Good Governance Policy.

In November 2020, the Board of Directors' Meeting No. 11/2020 passed a resolution to appoint the position of the first Chief Executive Officer for the company. This role is to lead the management to strategize direction to generate revenue and plan the workforce during the COVID crisis. The Committee outlines the duties of each position. Chairman of Board of Directors, Chief Executive Officer, and Managing Director are clearly stated. These three positions are for three persons, as the company has no policy to be the same person. The Chairman of the Board is not a member of the family and must be an independent director as outlined in 2018.

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 7 Corporate Governance Structure; Item 7.2 Information of Board and item 7.3 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 director are showed in enclosed document of Form 56-1 and annual report.

The Company has control over the use of inside information both financial and non-financial bring personal benefits. Especially, the 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. However, the Company does not have a policy that requires the Board of Directors to notify the company in advance of the purchase and sale of the company's securities. Because in the past, there was no significant movement in holding of the Company's securities.

The Board of Directors requires disclosure of information on the interests of directors, executives and related parties to the Board of Directors' meeting, acknowledge the shareholding in the company of each director in the first month of the year meeting, (for new directors, they must prepare a report of interests by sending it to the

company secretary within 30 days after taking the position) and such report all directors must be prepared at the end of each calendar year or when there is a change within 30 days, such as taking a director position or resigning from a director in other companies that may have conflicts of interest. or change of shareholding to inform the Board of Directors in the next meeting. For the benefit of considering transactions between the company and the directors or executives who have interests.

Director and Executive	No. of Shares Held in 2021	% of Share Held in 2021	No. of Shares Held in 2020	% of Share Held in 2020
Mr. Piyawudh Senapootitaksa	266,660	0.08	266,660	0.08
Mr. Surapol Techaruvichit and Miss Aree Techaruvichit spouse	14,735,000 1,073,330	4.61 0.33	14,735,000 1,073,330	4.61 0.33
Mr. Surapong Techaruvichit	2,266,660	0.71	2,266,660	0.71
Mrs. Suvimol Techaruvichit	5,619,960	1.76	5,619,960	1.76
Mrs.Pornpun Tanariyakul and Mr. Samart Tanariyakul spouse	34,723,750 1,004,000	10.85 0.31	34,723,750 1,004,000	10.85 0.31
Mrs. Oyetip Hayrabut	2,040,660	0.64	2,040,660	0.64
Mr. Polpat Techaruvichit	1,459,000	0.46	1,459,000	0.46
Miss Patcha Techaruvichit	24,600	0.01	24,600	0.01
Mr. Sombut Pupipathirunkul and Mrs. Sunantha Pupipathirunkul spouse	497,990 32,000	0.16 0.01	497,990 32,000	0.16 0.01
Mr. Suwat Dusitrojjanawongse	850,000	0.27	850,000	0.27
Dr. Chotima Pwasiri	60	0.00	660	0.00
Mrs. Ruchukorn Siriyodhin	0	0.00	0	0.00
General Chanchai Yossundara	0	0.00	0	0.00
Mr. Kriengsak Jumaree HM	0	0.00	0	0.00
Miss Sormsri Tungstatpongsathorn CFO	0	0.00	0	0.00
<b>Director and Executives hold ASIA shares</b>	<b>64,593,670</b>	<b>20.19</b>	<b>64,594,270</b>	<b>20.19</b>

### 6.1.2 Policies and Practices Relating to Shareholders and Stakeholders

The company recognizes that shareholders are the owners of the company that had to take care responsible for them. There is equal treatment of shareholders as well as promoting the exercise of shareholders' rights, preventing the use of inside information, prevention of conflicts of interest, responsibility to stakeholders and anti-corruption.

#### - 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](http://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](http://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, 296 Phya thai Road, Rachatevi District, Bangkok, located in the heart of the city and connect the BTS station "BTS Ratchathewi" and the meeting date is not on public holidays.
7. Before the shareholder meeting. In October 2021, 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 2021 to company secretary, email address: [sudarat@asiahotel.co.th](mailto:sudarat@asiahotel.co.th), to allow enough time for the Board of Directors to consider before proposing in the shareholders meeting 2022.

On 31 December 2021, 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 2022.

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 The directors who have completed their terms and are nominated for a new term. 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 3 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

In every agenda, in 2021, 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 2021, The meeting documents were sent to shareholders through QR Code by TSD to save energy and protect the environment, by sending not less than 14 days in advance and the meeting information were also presented on the Company's website; [www.asiahotel.co.th](http://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 QR Code 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 2021 Annual Shareholder Meeting, total 8 directors (include 2 sub-committees) participated equal 72.73% of total board 11 directors in the shareholder meeting together with the auditor, the legal consultant who be the witness voting and also the managing 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 2021, due to the COVID-19 policy to limit the shareholders who attend the meeting to prevent the spread of COVID, 57 shareholders gave 24 proxies. The online system for counting votes in the meeting room was used to display in LCD for accuracy and transparency.

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 Setlink system within the said date.
15. After shareholding meeting. 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” , “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 planned to present to shareholders for giving opinion and verify through the Company’s Website within 15 days for thai version and within 30 days for English version after the meeting completed.

### - The Role of Stakeholders

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

**1) Employees:**

The company treats all employees equally, 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 institution and asks for late payment of loans according to the help the company measure during Covid-19 period by the financial institute and interest payment as scheduled.

**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.

### - 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 Setlink System which has been developed to pass information straight through to the shareholders and SETSMART or in news title, [www.set.or.th](http://www.set.or.th) of the SET. At present the company added one more website to obtain information through [www.asiahotel.co.th](http://www.asiahotel.co.th) 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) or One Report for example:

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

Company has an officer who can provide all the company's information to those who are interested and has an office responsible for disclosure of company's important information correctly, transparently and timely, but has not yet established as the Investor Relations. The company's marketing information can be obtained from our website at [www.asiahotel.co.th](http://www.asiahotel.co.th). Investors who are interested in financial and investment information, advanced appointment can be made to get the information from the management at tel. no. 02-217-0808 ext.5512 and Company Secretary email address [sudarat@asiahotel.co.th](mailto:sudarat@asiahotel.co.th)

## 6.2 Code of Conduct

The Company realized on the importance of good governance for benefiting the management effectively and increasing the reliability to shareholders, clients, partners, creditors and employees. The Company has established the management policy and corporate governance system for operating the company to achieve its objectives and goals in the business way to stand for corporate governance policy, have responsibility to all stakeholders including social and the country for common interest. It could be categorized as follows:

- 1<sup>st</sup> Category: Business Code of Conduct
- 2<sup>nd</sup> Category: Directors, Executives and Employee's Ethics
- 3<sup>rd</sup> Category: Code of Conducts for Directors, Executives and Employees
- 4<sup>th</sup> Category: Rights of Shareholders and Equitable Treatment of Stakeholders
- 5<sup>th</sup> Category: Internal Control Policy
- 6<sup>th</sup> Category: Disclosure and Transparency
- 7<sup>th</sup> Category: Environmental, Occupational Health and Safety Policy
- 8<sup>th</sup> Category: Anti-Corruption Policy

Detail as per attachment 5 Others Information

## 6.3 Significant changes and developments in policies, practices and corporate governance systems in the past year

In 2021, the company received an assessment of the 2021 Annual General Meeting of Shareholders from the Thai Investors Association, scoring 94 points out of 100 points (2020 AGM = 98 points) from the overall assessment of 297 companies which arrange the AGM between January-30 April 2021, with 4 TIA 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 2021, the level of 83% "very good" from the Thai Institute of Directors (IOD) with CG score 4 stars that the same as the previous year.

All Listed Company	SET 100 Index	SET 50 Index	ASIA
84%	92%	93%	83%

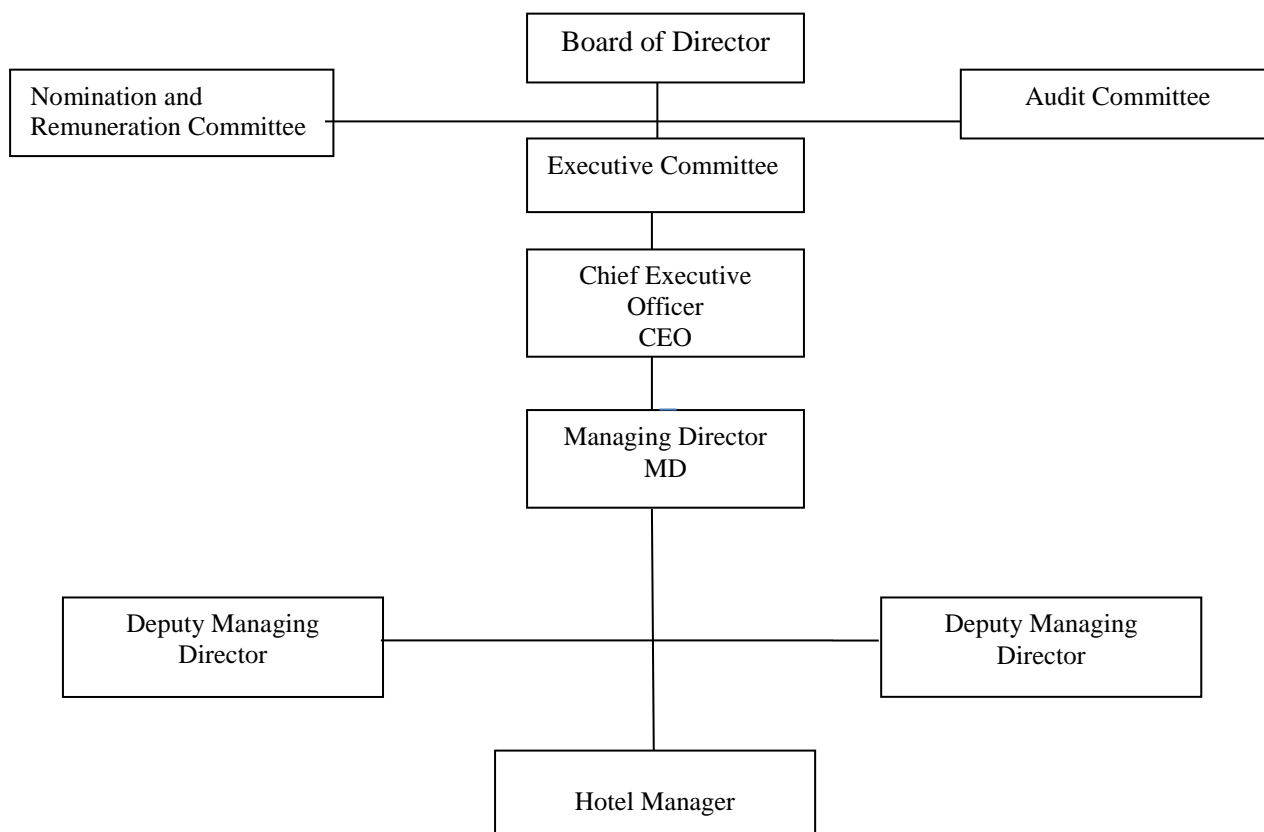
For each category rating, there are 5 categories as follows:

Category	Year 2021				2020
	All Listed Company	SET 100 Index	SET 50 Index	ASIA 2021	ASIA 2020
Rights of shareholders	95%	97%	98%	92%	98%
Equitable treatment of shareholders	93%	96%	97%	90%	88%
The Role of Stakeholders	84%	92%	94%	88%	88%
Disclosure and Transparency	87%	96%	97%	83%	85%
Board Responsibilities	77%	87%	89%	76%	77%

## 7. Corporate Governance Structure and significant information on the board, Sub-committees, executives, employees and others

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

### 7.1 Corporate Governance Structure as of December 31, 2021



### Board of Directors presently consists of 13 members as at December 31, 2021

1. Mr. Piyawudh	Senapoopitaksa	Chairman (Independent Director)
2. Mr. Surapol	Techaruvichit	Director, Chief Executive Officer
3. Mr. Surapong	Techavuvichit	Director, Managing Director
4. Mrs. Pornpun	Tanariyakul	Director, Deputy Director
5. Mrs. Oyetip	Hayrabut	Director, Deputy Director
6. Mrs.Suvimol	Techaruvichit	Director
7. Mr. Polpat	Techaruvichit	Director
8. Miss Patcha	Techaruvichit	Director
9. Mr. Sombut	Pupipathirunkul	Director (Independent Director)
10. Mr. Suwat	Dusitrojawanongse	Director (Independent Director)
11. Dr. Chotima	Puasiri	Director (Independent Director)
12. Mrs. Ruchukorn	Siriyodhin	Director (Independent Director)
13. Gen.Chanchai	Yossundara	Director (Independent Director)
Miss Sudaratana	Wisnuwatanakit	Secretary to the Board

## 7.2 Information of the Board

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

- The term of office is 3 years according to the company's regulations. In the shareholders annual meeting each year one third of the committee will leave the office and they can be re-elected again.
- The Company shall consist of the directors a minimum of 7 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 8.1.1 *Nomination, Development and Evaluation of the Board's Performances*.
- 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.

### 7.2.1 Composition of the Board of Directors and Number of Directors

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 13 persons, consisting of:

- **Management executives** 4 members: Mr. Surapol Techaruvichit, 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** 6 members: Mr. Piyawudh Senapoopitaksa, Mr. Sombut Pupipathirunkul, Mr. Suwat Dusitrojanawongse, Dr. Chotima Puasiri, Mrs. Ruchukorn Siriyodhin and Gen. Chanchai Yossundara, who have knowledge of insurance business, construction, accounting, business administration and economics, knowledge economics and financial sector, experienced in managing large government organizations. Everyone can support the company's organization.

Therefore, to balance and to inspect the execution of the Company, structure of board of directors consists of 9 members of non-management executives that more than a half of total members of directors and these 9 non-executive directors, the company appoints 6 independent directors. (equal to 46.15 percentage or more than 1/3 of 13 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 7.3 Committee*.

### 7.2.2 Information of the Board of Directors and Persons having controlling power over the Company



## **Authorized Directors**

In the year 2020, the authorized signatory to bind the company as follows:

“Mrs. Suvimol Techaruvichit or Mr. Surapong Techaruvichit or Mrs. Pornpun Tanariyakul jointly sign, totaling two directors together with the Company’s seal affixed.”

Subsequently, the Board of Directors Meeting No. 3/21, held on April 8, 2021, resolved to amend the directors' authority. Improve the authorized signatory to bind the company as follows:

“ Mrs. Suvimol Techaruvichit or Mr. Surapol Techaruvichit or Mr. Surapong Techaruvichit or Mrs. Pornpun Tanariyakul or Mrs. Oyetip Hayrabut jointly sign, totaling two directors together with the Company’s seal affixed.”

## **The Limit of the Authority of Directors: - None –**

Company has the policy to separate the powers and duties of the Chairman of the Board of Directors, Chief Executive Officer and Managing Director. The three positions must not be the same person. To counterbalance the corporate governance of the company and has a policy for the chairman of the board to be an independent director. The duties and scope of work of the Board of Directors are determined, the executive committee including the charter of the subcommittees (Audit Committee and Nomination and Remuneration Committee) clearly.

## **Scope of duties and responsibilities of Chairman of Directors**

Mr. Piyawudh Senapoopitaksa, 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 Chief Executive Officer**

Mr. Surapol Techaruvichit, Chief Executive Officer is the top executive of the organization who is responsible for the management of the company as well as the investment according to the policy of the company outlined in the Executive Committee and the Board of Directors. In addition to the disapproval of the related transaction (as defined in the notification of the Securities and Exchange Commission (SEC), Section 58 and close relatives) who have interests or there may be a conflict of interest in the company or subsidiary of the Company.

## **Scope of duties and responsibilities of Managing of Directors**

Mr. Surapong Techuvichit, Managing Director is the Executive deputy under the Chief Executive Officer who supervises the management of the marketing department and the brand of the organization, according to the policy of the company outlined in the Executive Committee and the Board of Directors. In addition to the disapproval of the related transaction (as defined in the notification of the Securities and Exchange Commission (SEC), Section 58 and close relatives) who have interests or there may be a conflict of interest in the company or subsidiary of the company.

## **7.2.3 Roles and Duties of the Board of Directors**

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 or disposal of assets according to the SEC.
- (10) Follow up the monthly and quarterly operating results and financial status of the Company and its subsidiaries
- (11) Consider and approve the agreement on purchasing, hiring servicing, renting and leasing with exceeding value of Baht 20 million
- (12) Consider the purchase of the out-of budget items which value more than Baht 20 million, and the over-budget expense exceeding 20% of approved value.
- (13) Consider on renting and leasing assets for period over 6 years.
- (14) Consider and approve on any matters presented by Executive Committee including legally-required matters to be presented to the Board.
- (15) Board may assign a director or any other persons to take action or have authority for the Board within an acceptable period of time under the Board's consideration. The Board may abrogate, change or revise the assigned person as appropriate, except for the acquisition and disposition of asset and related party transaction 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

#### ❖ Committee's Meeting

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

The committees will 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 meeting 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.

As of December 31, 2021, the Board of Directors of 13 persons

Name	Position	Tenure
1.Mr. Piyawudh Senapoopitaksa	Chairman, ID, AC and NRC	APR. 2020- APR. 2023
2. Mr. Surapol Techaruvichit	Director	APR 2021 - APR 2024
3. Mr. Surapong Techaruvichit	Director	APR. 2019- APR. 2022
4. Mrs.Pornpun Tanariyakul	Director	APR.2020 - APR. 2023
5. Mrs. Oyetip Hayrabut	Director	APR 2021 - APR. 2024
6. Mrs.Suvimol Techaruvichit	Director	APR.2020- APR. 2023
7. Mr. Polpat Techaruvichit	Director	APR. 2021- APR. 2024
8. Miss Patcha Techaruvichit	Director	APR. 2021- APR. 2024
9. Mr. Sombut Pupipathirunkul	Director, ID, AC and NRC	APR. 2021- APR. 2024
10. Mr. Suwat Dusitrojjanawongse	Director, ID, AC and NRC	APR. 2019- APR. 2022
11. Dr. Chotima Pwasiri	Director, ID, AC	APR.2020- APR. 2023
12. Mrs. Ruchukorn Siriyodhin	Director, ID	NOV.2020- APR.2022
13. Gen. Chanchai Yossundara	Director, ID	APR 2021-APR 2024

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

Secretary to The Board: Miss Sudaratana Wisnuwatanakit

### 7.3 Sub-committee

The Company has 3 sub-committees, namely the Audit Committee, Nomination and Remuneration Committee and Executive 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 2021. The Nomination and Remuneration Committee considered and proposed to the Board of Directors Meeting No. 4/2021(4/2564) to consider and be appointed as the Audit Committee of the Company for another term. It will be completed in May, 2024.

#### *Audit Committee as at 31 December 2021*

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

*Remark: \*Mr. Sombut Pupipathirunkul 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. Details Audit Committee Charter as per Enclosure no. 5 Others

The meeting of audit committee according to its charter shall be arranged at least once in a quarter. In 2021, there were 4 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.

#### **- 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. Details of Nomination and Remuneration Committee Charter as per Attachment no..5 Others

The Current Nomination and Remuneration Committee had appointed by the resolution of the Board of Directors' Meeting No. 1/2565 held on February 14, 2022, the three directors had been re-elected for another term. It will be completed in January, 2025.

#### ***Nomination and Remuneration Committees as at 31 December 2021***

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

Responsibilities of the Nomination and Remuneration Committee as follows:

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

The nomination and remuneration committee meeting according to its charter has not been specified but must be arranged as suitable in order to gather information on committees whose term will be ended and name list of the individuals to be advanced nominated by shareholders within 31<sup>st</sup> December of every year. In 2021 the above committee held 2 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.



## 7.4 Executive Committee

### 7.4.1 Executive Committee as at December 31, 2021

1.	Mr. Surapol	Techaruvichit	Chief Executive Officer
2.	Mr. Surapong	Techaruvichit	Managing Director
3.	Mrs. Pornpun	Tanariyakul	Deputy Managing Director
4.	Mrs. Oyetip	Hayrabut	Deputy 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) Following the assigned tasks from the Board of Directors.

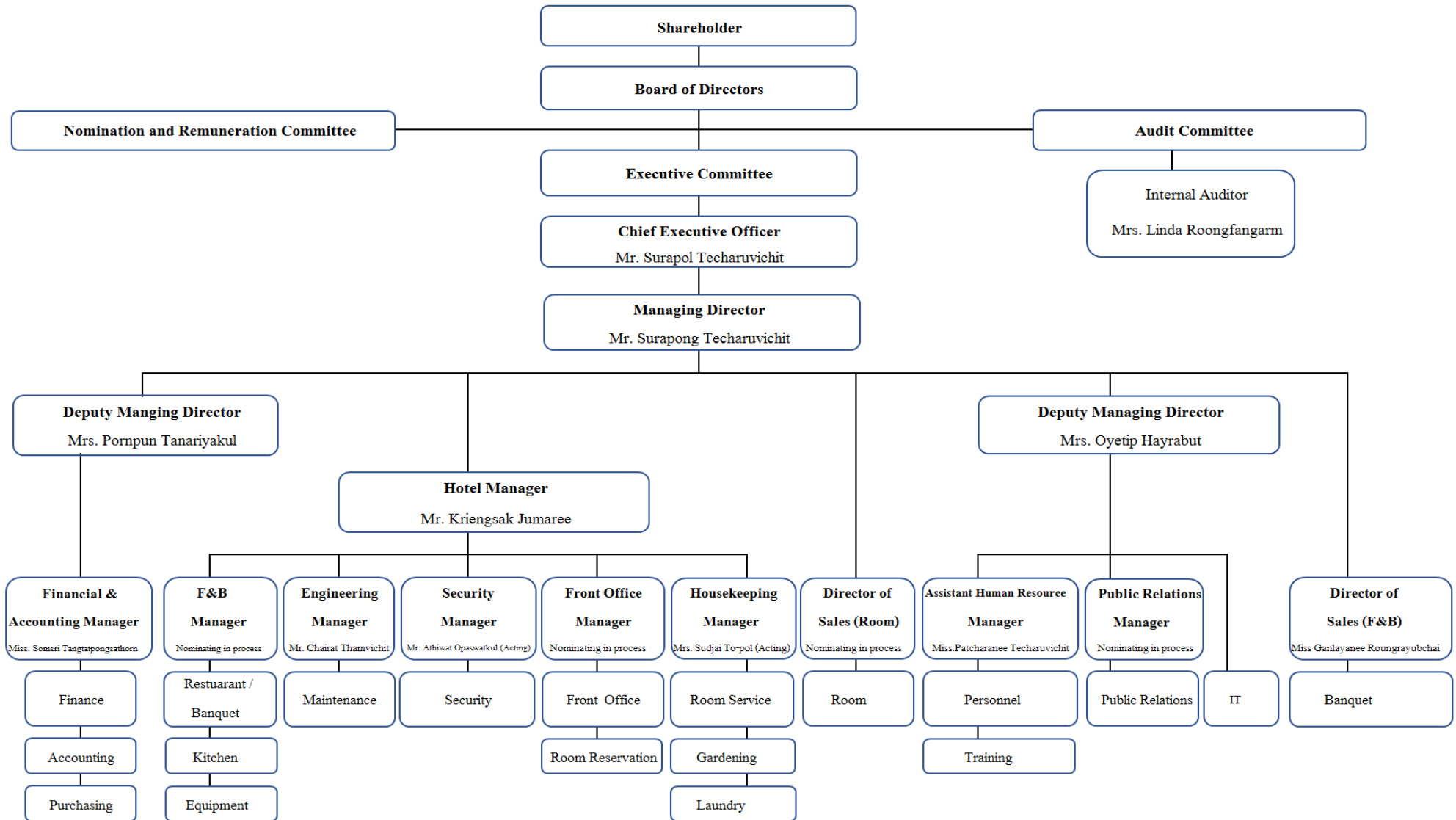
#### *Management Team* as 31 December 2021

1.	Mr. Surapol	Techaruvichit	Chief Executive Officer
2.	Mr. Surapong	Techaruvichit	Managing Director
3.	Mrs. Pornpun	Tanariyakul	Deputy Managing Director
4.	Mrs. Oyetip	Hayrabut	Deputy Managing Director
5.	Mr. Kriengsak	Jumaree	Hotel Manager
6.	(Nominating in process)		Director of Sales (Room)
7.	Miss Ganlayanee	Rounggrayubchai	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.	(Nominating in process)		Food and Beverage Manager
12.	Miss Patcharane	Techaruvichit	Assistant Personnel Manager
13.	(Nominating in process)		Public Relations Manager
14.	Mr. Chairat	Thamvichit	Engineering Manager
15.	Mr. Athptiwat	Opaswatkul	Acting Security Manager

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

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

## Organization Charts of ASIA



## 7.4.2 Remuneration Policy for Executive Directors and Executives

The Company requires the Nomination and Remuneration Committee to be responsible for reviewing and giving opinions on the remuneration of the Board of Directors sub-committees and senior management of the company by considering the comparison from the operating results of some companies with the overall economic condition. will receive salary, bonus, including other welfare such as provident fund

In 2021, the company is still affected by the Covid epidemic. Executive directors and senior executives have stopped receiving salaries or reducing salary since 2020.

### 7.4.3 Remuneration of Executives Management

#### (1) Remuneration in Cash

In 2021, the Company has paid salary to senior management (no bonus) as follows:

Uni t: Baht

Year 2021	ASIA	ASIA PATTAYA	ASIA AIRPORT	ZEER	TOTAL
Quarter 1	452,700.00	147,690.00	0.00	441,300.00	1,041,690.00
Quarter 2	452,700.00	72,933.00	-	441,300.00	966,933.00
Quarter 3	150,980.00	54,700.00	0.00	210,538.00	416,218.00
Quarter 4	301,960.00	111,223.00	-	485,580.00	898,763.00
<b>TOTAL</b>	<b>1,358,340.00</b>	<b>386,546.00</b>	<b>0.00</b>	<b>1,578,718.00</b>	<b>3,323,604.00</b>

#### (2) Other remuneration (If any)

Other remuneration is the provident fund for the management, totaling - persons. The company contributes at the rate of 5% of the salary. In 2021, the company does not pay contributions to the provident fund for all executives. Due to the epidemic situation of COVID Exemption from contributions to the provident fund.

## 7.5 Employee

In 31 December 2021, the company (Asia Bangkok) has a total of 298 employees.

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
1. Accounting and finance	50	53	61
2. Food and Beverage	82	136	189
3. Personnel	11	11	15
4. Public Relations	7	5	6
5. Marketing	13	12	16
6. Management	29	28	34
7. Front Office	21	37	52
8. Laundry	17	22	32
9. House Keeping	36	66	93
10. Maintenance	22	27	33
11. Security	7	9	10
12. Computer	<u>3</u>	<u>5</u>	<u>4</u>
<b>Total</b>	<b><u>298</u></b>	<b><u>411</u></b>	<b><u>545</u></b>

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.

Unit: Baht

	Year 2021	Year 2020	Year 2019
Salary	38,507,071.00	60,007,228.00	132,519,757.00
Bonus	-none-	4,862,348.00	6,676,181.00
Provident Fund	-none-	888,101.00	3,851,053.00

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

The company has encouraged employees to participate the provident fund for retirement savings and voluntary for employees. The Company also supports the Company Board of Directors's provident fund by selecting fund managers who comply with the Investment Governance Code ("I Code") and must manage their investments responsibilities, taking into account environmental factors Social and Governance "ESG" selection by the Company and its three subsidiaries have participated in the provident fund. There are employees participating in the project as of December 31, 2021 as follows:

	Provident Fund Yes/No	Number of employees participating in PVD	Employee participation ratio PVD/Total Employees (%)
ASIA	Yes	71	23.83%
ASIA PATTAYA	Yes	19	15.00%
ASIA AIRPORT	Yes	24	14.12%
ZEER PROPERTY	Yes	30	10.07%

**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 present to the shareholders' meeting as a final consideration.

Furthermore, subsidiaries' remuneration procedure is similar to the company totaling of Baht 92,140,761 - Details are as follows:

	Asia Pattaya Co., Ltd. (AP)		Asia Airport Co., Ltd. (AA)		Zeer Property PLC (ZP)	
	2020	2019	2020	2019	2020	2019
Operation/service personnel (person)	126	163	168	207	294	349
Management staff (person)	6	6	2	2	4	4
Total Employee (person)	132	169	170	209	298	353
Employee's Remuneration (Salary and Bonus): Baht	18,559,928	27,572,062	22,512,142	30,620,241	51,068,691	55,220,374
Provident Fund: Baht	-	229,655	-	395,655	-	508,923

In 2021, the Company and its subsidiaries employee compensation was decreased, comparing with previous year, because tourism and shopping center business have been directly affected by the coronavirus epidemic since 2020. All employees and companies in the group have been supported by the government, according to the Ministry of Finance announcement about business type period and conditions for the employee or employer to stop or postpone the collection or contributions to the provident fund in case of economic crisis (No. 3) dated July 5, 2021, starting



from the submission period of July 2021 to December 2021 and (No. 4) dated January 12, 2022 at the grant is extended to June 2022, when employees and employers are temporarily exempted from collecting contributions to the provident fund. Despite being exempted from collecting contributions to the provident fund. This crisis also affects the income of employees. As a result, some members request to leave their provident funds during 2021 and expect to re-enter when the situation improves.

The company's policy does not require employees to leave the company but the company reduced employees the number of working day to balance the workload. Even though, the compensation rate is the same but the amount of total salary has been reduced. This is a strategy that companies required to apply during this crisis. Therefore, there are some employees who resign themselves for other occupations. This makes the comparison of the number of employees and the compensation clearly different from the previous year.

### **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.

Annually, 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 3 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.
2. New employee orientation course. Important recommendations and information about the company are advised. Together, the duties and rights of employees are advised.
3. 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.

For the year 2020-4 from the impact on the Covid-19 epidemics. Some periods serve as a Hospital for about 3 months or even open for normal service. But the epidemic situation still occurs continuously, resulting in the hotel having no customers (users), including no foreign tourists coming in, causing the hotel to open only partially and have a policy to reduce the workforce. As a result, some employees do not come to work as usual. Therefore, in the annual employee training or new employees this year must delay.

## **7.6 Other Important Information**

### **7.6.1 Company Secretary and CFO and Chief Accountant Qualifications Internal Auditor**

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.

The company has appointed **Miss Somsri Tangtatpongsathorn** to be the most responsible person in the finance and accounting field and the company directly assigned her to control the company's accounting. She has performed her duties in the position Accounting and Finance Manager since July 2005, has met the qualifications specified by the SEC and the Stock Exchange of Thailand as the attachment No.1

#### CFO and Chief Accountant Qualifications

The SEC's Rule	Qualifications for the individual who already holds such position in listed companies	In case listed companies appoint new CFO or Chief Accountant	
		A) The person had been CFO/Chief Accountant in Listed companies <u>and</u> is out of the position in less than 1 year	B) The person has never been CFO/Chief Accountant or is <u>out</u> of the position more than 1 year
<b>CFO</b> Education: Minimum bachelor's degree or equivalent  <b>Experience</b> <ul style="list-style-type: none"> <li>• Minimum 3 years in accounting or finance within the last 5 years <u>or</u></li> <li>• Minimum 5 years in any field that is beneficial to the company's business within the last 7 years</li> </ul> <b>Training</b> <ul style="list-style-type: none"> <li>• Orientation 12 hours</li> <li>• Continuing development course in accounting knowledge 6 hours/year</li> </ul>	-  -  - /	-  -  - /	/  /  / /
<b>Chief Accountant</b> <u>Registration certificate as an Accountant</u> with criteria specified by Department of Business Development <b>Experience</b> <ul style="list-style-type: none"> <li>• Minimum 3 years in accounting within the last 5 years</li> </ul> <b>Training</b> <ul style="list-style-type: none"> <li>• Continuing development course in accounting knowledge 6 hours/year in compliance with Department of Business Development</li> </ul>	/  -  /	/  -  /	/  /  /

In case of a change in the appointment of CFO or Chief Accountant, the company must notify SET within 3 business days. If the company appoints acting personnel in the said position, the person should fully be qualified as per applicable regulation.

In the year 2021, the Company's Accounting and Finance Manager participated in the training in the TLCA Professional -Development Program organized jointly with the SEC Office via Zoom system to develop knowledge in various subjects as follows:

1. No. 3/2021 "How to Manage the Company's Finance & Accounting and Communicate with Stakeholders during Covid-19"
2. No. 5/2021 "Faud & Cyber Security Risk"
3. No. 6/2021 "ESG Integration in Sustainable Investing"
4. No. 8/2021 "The modern CFO: Driving Digital Transformation of the Finance and Accounting"

The company has appointed **Mrs. Linda Roongfangarm** to be an Internal Auditor of the Company. 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. with the qualifications of the person holding the position of Head of the Company's Compliance Officer appears in Attachment 3

Supervisor of the company's operations (Compliance) -None-

### 7.6.2 Investor Relations and contact information

Company has an officer who can provide all the company's information to those who are interested and has an office responsible for disclosure of company's important information correctly, transparently and timely, but has not yet established as the Investor Relations. The company's marketing information can be obtained from our website at [www.asiahotel.co.th](http://www.asiahotel.co.th). Investors who are interested in financial and investment information, advanced appointment can be made to get the information from the management at tel. no. 02-217-0808 ext.5512 and Company Secretary email address [sudarat@asiahotel.co.th](mailto:sudarat@asiahotel.co.th)

### 7.6.3 Auditor Remuneration

#### (1) Audit Fee

The company and subsidiary companies pay the audit fee to: ANS Audit Co., Ltd.  
- 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 year.

<u>Name</u>	Unit: Baht		
	<u>Audit Fee year</u> <u>2021</u>	<u>Audit Fee year</u> <u>2020</u>	<u>Increase/(decrease)</u>
Asia Hotel Public Co., Ltd.	1,380,000.00	1,655,000.00	(275,000.00)
<u>Subsidiaries</u>			
1. Asia Pattaya Hotel Co., Ltd.	850,000.00	1,040,000.00	(190,000.00)
2. Asia Airport Hotel Co., Ltd.	990,000.00	1,130,000.00	(140,000.00)
3. Zeer Property Public Co. Ltd.	1,480,000.00	1,670,000.00	(190,000.00)
4. Zeer Asset Co., Ltd.	82,000.00	93,000.00	(11,000.00)
5. ZEER OVERSEA LLC	300,000.00	347,000.00	(47,000.00)
6. Spa Hotel Co., Ltd.	<u>315,000.00</u>	<u>365,000.00</u>	<u>(50,000.00)</u>
Total Audit Fee	<u>5,397,000.00</u>	<u>6,300,000.00</u>	<u>(903,000.00)</u>

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

## 8. Report on Corporate Governance Performances

### 8.1 Summary of the Board's Performances in the Previous Year

In 2021, the company and its subsidiaries have been experiencing from the impact of the Covid-19 epidemic crisis since 2020, but this year is more severe. The Board of Directors monitor the situation every month through the management, either from the hotel business or the shopping center business, and help make suggestions to support the business to be able to survive, acknowledge the care and assistance of employees in all aspects to have a reasonable income. And during some periods of service closure, Asia Hotel, Rajathevi has renovated the restaurant. The original banquet hall has been used for a long time to be larger, to support meetings, banquets, or dining rooms for guests in the room. Improve the facade of the building to be beautiful. And at the Asia Pattaya Hotel, Chonburi has renovated some rooms and the restaurant by the sea to be beautiful to prepare a plan to support the opening of tourists various meetings to be held in the future.

As for the Board of Directors' meetings, which are normally held 12 times per month, during the crisis of 2021, 6 meetings have been held as necessary, both online meetings and regular physical meetings with strict measures to prevent disease.

#### 8.1.1 Nomination, Development and Evaluation of the Board's Performances

The appointment of directors' process, Nomination and Remuneration Committee which consists of 3 independent directors have responsibility for the selection and screening the person who is qualified according to the Articles of Association of the Company and is a nominee who is qualified to get professional and diverse directors. They considered the structure, size, and composition of the Board of Directors, regardless of gender, age, the number to be proposed will be equal to the number of directors who complete their terms. They propose opinions to the Board of Directors for approval from the Board of Directors to present the names of such directors to the shareholders' meeting for appointment according to the following rules.

This is annually in early October, the company has given the minority shareholders the opportunity to nominate a person to be considered as a director, together with the proposal of the meeting agenda in advance. By prescribing criteria and qualifications for nominating a person as a director and proposing the agenda of the shareholders' meeting in advance on the Company's website under the topic Investor Relation. For the 2022 Annual General Meeting of Shareholders by submitting to the Secretary of the Board of Directors by December 31, 2021, in which the secretary of the Board of Directors will compile a list of names and propose to the Nomination and Remuneration Committee for screening and presenting to the Board of Directors for consideration before proposing to the shareholders' meeting for approval.

**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.

In addition, the company must have a director structure. Being independent directors 1/3 of the total number of directors, which defines the qualifications of independent directors. and has a succession plan of senior management Support for recruiting as follows:

#### (1) Independent Director

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

- Holding shares not exceed 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. Currently, **all independent directors of the company hold not more than 0.5 percent of shares, which is lower than specified.**

- 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 conflictions.
- 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 2021, the committee evaluated in January 2022. 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.

**Self-assessment results of the entire board** of all categories are 94% of all criteria, are divided to 6 categories.

Section 1 Committee Structure and Qualifications	95% out of 100%
Section 2 Roles, Duties and Responsibilities of the Board	91% out of 100%
Section 3 The Board of Directors Meetings	96% out of 100%
Section 4 Performance of the Committee	95% out of 100%
Section 5 Relationship with the Management	95% out of 100%
Section 6 Directors Development and Management Development	96% out of 100%

**-Self-assessment results of the sub-committees**, in total, of all categories were in the criteria of 99%, divided into 3 categories:

Section 1: The structure and qualifications of the Board of Directors in the following matters are appropriate.

Allow the Board to work efficiently 100% out of 100%

Section 2: Meetings of the Board of Directors are carried out in the following matters:

Perform duties in meetings effectively. 100% out of 100%

Section 3: Roles, duties, and responsibilities of the Board emphasizes

Consider, review, and practice the following matter adequately 98% out of 100%

**-Self-assessment results of the Board of Directors individually**, in total, of all categories were in the criteria of 98%, divided into 3 categories:

Section 1 Board Structure and Qualifications	98% out of 100%
Section 2 Meetings of the Board of Directors	97% out of 100%
Section 3 Roles, Duties and Responsibilities of the Board	98% out of 100%

**- Assessment results of CEO (Chief Executive Officer)** in 2021 from all committees proposed to the Nomination and Remuneration Committee, the results are as follows:

Section 1 Progress of the Plan

Section 2 Performance Measurement

2.1 Leadership Rated	91% out of 100%
2.2 Strategic formulation	91% out of 100%
2.3 Implementation of the strategy	94% out of 100%
2.4 Financial planning and performance	95% out of 100%
2.5 Relationship with the Board of Directors	92% out of 100%
2.6 Relationship with outsiders	93% out of 100%
2.7 Management and relationship with personnel:	88% out of 100%
2.8 Succession:	81% out of 100%
2.9 Product and service knowledge,	96% out of 100%
2.10 Personnel characteristics:	91% out of 100%

Section 3 CEO Development

A summary of the results of the CEO, Chief Executive Officer's assessment of 91% from 100%

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

In addition, there is support for new directors or directors who want to develop in various matters to attend training with the Thai Institute of Directors. According to the epidemic situation of covid-19, in the past 2021, it is not convenient to send directors to attend training.

### **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.

## 8.1.2 Meeting Attendance and Remuneration of Individual Directors Board's Meeting Attendance

Board's Meeting Attendance for the year 2021

Name	Position	Participate /Number of meeting	Participate 2021 AGM
3. Mr. Piyawudh Senapoopitaksa	Chairman ID, AC and NRC	6/6	1
3. Mr. Surapol Techaruvichit	Director	6/6	1
3. Mr. Surapong Techaruvichit	Director	6/6	1
4. Mrs. Pornpun Tanariyakul	Director	6/6	1
5. Mrs. Oyetip Hayrabut	Director	6/6	1
6. Mrs. Suvimol Techaruvichit	Director	2/6	-
7. Mr. Polpat Techaruvichit	Director	6/6	1
8. Miss Patcha Techaruvichit	Director	6/6	1
9. Mr. Sombut Pupipathirunkul	Director, ID, AC and NRC	3/6	1
10. Mr. Suwat Dusitrojjanawongse	Director, ID, AC and NRC	6/6	1
11. Dr. Chotima Puasiri	Director, ID, AC	4/6	-
12. Mrs. Ruchukorn Siriyodhin	Director, ID	6/6	-
13. Gen. Chanchai Yossundara was appointed in April, 2021	Director, ID	3/3	1

### - Remuneration of Board of Director

(1) Remuneration in Cash is paid in term of meeting allowance and bonus.

- Payment of bonus to the whole committee from the previous year's operating results (2021)
- 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.

The company currently doesn't have the compensation policy excluding the salary and bonus which executives are the only one who received.

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 year 2021 due to the pandemic of COVID-19, affecting the hotel business greatly, the 2021 Annual General Meeting of Shareholders approve as follows:

Remunerations	Year 2021	Year 2020
<b>Board of Directors</b>		
1. Bonus of Board of Director	-none-	-none-
2. Meeting Allowance per meeting		
- Chairman of Board of Director	20,000 Baht	20,000 Baht
- Vice Chairman	15,000 Baht	15,000 Baht
- Director	10,000 Baht /person	10,000 Baht /person
<b>Remuneration of Committee</b>		
<b>Remuneration of Audit Committee:</b> No payment of the annual remuneration to the audit committee in 2021		
-Chairman of Audit Committee	-none-	-none-
- Audit Committee member	-none-	-none-

	Year 2021	Year 2020
<b>Remuneration of Nomination and Remuneration Committee:</b> their remuneration was meeting allowance		
-Chairman of Nomination and Remuneration committee	15,000 Baht/meeting	15,000 Baht/meeting
-Nomination and Remuneration Committee member	10,000 Baht / person/meeting	10,000 Baht / person/meeting

#### Remuneration of Board of Director in 2021

Because throughout the year 2021, the company continues to be affected by the Covid-19 epidemic which the Board of Directors has always been informed, want to help the company to reduce expenses as much as possible. Therefore, they would like to waive the right to receive a meeting allowance/bonus (if any) throughout the year.

Remuneration of Audit Committee for year 2021, 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, which the Annual General Meeting in the year 2021 has resolution meeting not paid this remuneration.

Remuneration of Nomination and Remuneration Committee for year 2021, 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. In 2021, the Nomination and Remuneration Committee would like to waive the right to receive meeting allowances as well.

**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 Baht3,000.-. If at any time, director is not available to attend the meeting, the meeting allowance and another bonus will not be paid.

In 2021, the subsidiaries appointed an advisor to the Managing Director, they will receive meeting allowance at the same rate as director allowance in each meeting.

The remuneration in 2021, the Board of Directors and the Managing Director's advisor would like to waive the right to receive the meeting allowance as well. Because the business has been greatly affected by the outbreak of the Covid-19 virus.

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

The meeting allowance for the directors per time is the chairman of the board Baht28,000 per time, the vice Chairman Baht21,000 per time and the director Baht14,000 per time and if any meeting is absent, it will not be received.

Director's Bonus is paid once a year, namely, the chairman receives 130,000 baht, the vice chairman is 100,000 baht, and Baht65,000 per director.

The remuneration in 2021, the Board of Directors and the Managing Director's advisor would like to waive the right to receive the meeting allowance as well. Because the business has been greatly affected by the outbreak of the Covid-19 virus

Table shows the remuneration received by each director in fiscal year 2021

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	0.00	0.00	0.00	0.00	0.00	0.00
2. Mr. Amorn Techaruvichit	0.00	0.00	0.00	0.00	0.00	0.00
3. Mrs. Suvimol Techaruvichit	0.00	0.00	0.00	0.00	0.00	0.00
4. Mr. Surapong Techaruvichit	0.00	0.00	0.00	0.00	0.00	0.00
5. Mrs. Pornpun Tanariyakul	0.00	0.00	0.00	0.00	0.00	0.00
6. Mrs. Oyetip Hayrabut	0.00	0.00	0.00	0.00	0.00	0.00



Name	Meeting Allowance	Meeting allowance for subsidiary AP, AA	Director Bonus	Bonus for Audit Committee	Bonus for Nomination/ Remuneration Director	Total Remuneration
7. Mr. Polpat Techaruvichit	0.00	0.00	0.00	0.00	0.00	0.00
8. Miss Patcha Techaruvichit	0.00	0.00	0.00	0.00	0.00	0.00
9. Mr. Sombut Pupipathirunkul	0.00	0.00	0.00	0.00	0.00	0.00
10. Mr. Suwat Dusitrojawanongse	0.00	0.00	0.00	0.00	0.00	0.00
11. Mrs. Chotima Pwasiri	0.00	0.00	0.00	0.00	0.00	0.00
12. Mrs. Ruchukorn Siriyodhin	0.00	0.00	0.00	0.00	0.00	0.00
14. Gen. Chanchai Yossundara	0.00	0.00	0.00	0.00	0.00	0.00

(2) Other remuneration (If any)

- Other remuneration of director -none-

### 8.1.3 Supervision of the Subsidiaries' Operations

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.

### 8.1.4 Monitoring Compliance with Policies and Practices on Corporate Governance

In the past year The Company has followed up to ensure compliance with good corporate governance in the following matters:

(1) Prevention of conflicts of interest

As prescribed by the Company in the Company's Code of Conduct in Section 3, Code of Conduct for Directors, Executives and Employees (According to Attachment 5), the Board of Directors, Executives, and Employees must perform their duties in the best interests of the Company. In the event that any person has a stake or is involved in the item under consideration. Those persons must notify the authorities in charge of such matters and not participate in the consideration of such transactions.

The Company has implemented the policy for directors and executives who have interests in any agenda or are in the scope of having interests that may conflict with the interests of the Company. The Company's secretary will inform the meeting of directors who have a conflict of interest to temporarily leave the meeting room, and abstained from voting on that agenda, must not participate in the approval process, which is customary Board of

Directors has always done without attending the Board of Directors' meeting on that agenda. The Board of Directors must have the resolution to approve the transaction before proceeding, and some things that are related to each other related transactions must obtain an opinion from the Audit Committee before proposing to the Board of Directors' meeting for approval. That is to be fair and reasonable, taking into account the best interests of the company as the main.

In 2021, no significant conflicts of interest were found.

## (2) Exploitation of Insider Trading

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. To help keep track of the form 59 notification online to the Office of the SEC within 3 days that has changed according to the regulations of the office.

During the past year, It was not found that directors and executives included their spouses. The Company's shares are traded during the period specified by the Company to refrain from trading at all. As for the policy that requires directors or executives to report to the board of directors about stock trading at least 1 day in advance of trading, that has not yet been determined. Due to the fact that the directors and executives of the Company have not changed their shareholding significantly over the past several years.

## (3) Anti-corruption

Anti-corruption policies of Asia Hotel Public Company Limited and its subsidiaries are as follows:

"Asia Hotel Public Company Limited is committed to conduct business with integrity and according to the principles of corporate governance, using strategies in business competition fairly, transparently and adhered to service standards and quality of hotels and restaurants significantly and strictly complying with applicable laws. The Company has against corruption by not accept any corruption. The Company and its subsidiaries or other companies that we have power to control, including people associated with the business operations do comply with this anti-corruption policies, which covers compliance in all units in the company.

The Company has an employee training and public relations to provide the knowledge and better understanding to those involved with the company, they must not acquire or has consented to receive money or benefits from related business and does not perform any such nearby. In addition, no claim or action or accept bribes for sake of the company, family, friends and acquaintances. If the Board of Directors, executives, and employees do not comply this policy, they shall be subject to disciplinary action and penalty.

In addition, The Company has conducted evaluation on the risk of potential corruption in each process regularly as well as tried to find appropriate solutions by establishing channels for reporting the clues or lodging complaints to the Audit Committee of the Company in case of finding circumstances or acts indicating dishonest acts or misconduct of individuals. "

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.

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, directly, with continuous and rigorous practice as follows:

1. The company has communicated to both the directors, executives and employees level by stipulating that all processes are strictly within the legal scope.
2. The company provides a channel for reporting. If there is a violation of the policy or seeing corruption and have protection measures for complainants.

In this regard, the company has brought the manual for the anti-corruption policy and related policy above. Appears in Attachment 5 other topics.

In 2021, the Company complies with anti-corruption policies and procedures. have internal control Check the operation of the operations department. property check There were no cases of corruption within the organization.

#### ( 4 ) Whistleblowing

The company has the policy to report clues from illegal actions or code of conduct or behaviors that may imply corruption, corruption, or misconduct of individuals in the organization, both from employees and all groups of stakeholders. Including having a mechanism to protect information providers and focus on collecting clues and complaints are confidential to build confidence for the complainant and protection of complainants. Appears in Attachment 5 other topics.

In the past year, the company did not find or received any clues of any complaints.

## 8.2 Report on the performance of the Audit Committee in the past year

8.2.1 Performance of the Audit Committee in accordance with the Charter of the Audit Committee approved by the Board on May 13, 2011 and effective. Since May 28, 2011, as shown in Attachment 5, other topics

In 2021, the Audit Committee has performed its duties in the following matters:

1. Give opinions on the company's financial reports quarterly and annual
2. Supervise and follow up the work of the internal auditors monthly.
3. Review the internal control system Risk management work of various departments of the Company and its subsidiaries.
4. Considering and giving opinions on the performance of duties of the auditors and giving opinions on the appointment of the auditors to the Board of Directors' meeting.
5. Commenting on the Company's connected transactions and subsidiaries such as renewal of the subsidiary's space lease agreement, service contract renewal.
6. Consider the annual audit committee's self-assessment and annual corporate governance self-assessment.

Meeting Participation of Audit Committee Table

Name	Position	Participate /Number of meeting 2021	Participate /Number of meeting 2020
1.Mr. Suwat Dusitrojawanongse	Chairman of Audit Committee	4/4	6/6
2.Mr. Piyawudh Senapoopitaksa	Audit Committee member	3/4	6/6
3.Mr. Sombut Pupipathirunkul	Audit Committee member	2/4	4/6
4.Dr. Chotima Puasiri	Audit Committee member	3/4	6/6

Every year, there will be 9-10 Audit Committee meetings. The company's operations declined from the previous year resulting in various transactions that must be checked down and in order to prevent the spread of the epidemic. Therefore, the meetings were held only as needed.

## 8.3 Report on the performance of the Nomination and Remuneration Committee in the past year

8.3.1 Performance of the Nomination and Remuneration Committee in accordance with the charter of the Nomination and Remuneration Committee approved by the Board on January 13, 2010 and effective onwards, as shown in Attachment 5, other topics. In 2021, the Nomination and Remuneration Committee has performed its duties in the following matters:

1. Consider retiring directors and new directors with an opinion to propose to the Board of Directors meeting
2. Consider the directors' remuneration and sub-committees' remuneration with an opinion to propose to the Board of Directors meeting
3. To consider the audit committee whose term has expired and the remuneration, and propose to the meeting of the appointing committee.
4. Consider the annual self-assessment of the Nomination and Remuneration Committee.

**Meeting participation of Nomination and Remuneration Table**

Name	Position	Participate /Number of meeting 2021	Participate /Number of meeting 2020
1. Mr. Sombut Pupipathirunkul	Chairman of Nomination & Remuneration Committee	2/2	2/3
2. Mr. Piyawudh Senapoopitaksa	Nomination & Remuneration Committee Member	2/2	3/3
3. Mr. Suwat Dusitrojnanawongs	Nomination & Remuneration Committee Member	2/2	3/3

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## 9. Internal Control and Connected Transactions

### 9.1 Internal Control

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 2021

1. Mr. Kriengsak	Jumaree	Hotel Manager
2. <i>Nominating In Process</i>		Food & Beverage Manager
3. <i>Nominating In Process</i>		Front Office Manager
4. Mr. Thongpoon	Duangchompoo	Assistant F&B Manager
5. Miss Somsri	Tangtatpongsathorn	Accounting & Finance Manager
6. Miss Ganlayanee	Roungrayubchai	Director of Sales
7. Miss Chrinphat	Wittayakeeratinun	Assistant Director of Sales
8. <i>Nominating In Process</i>		Assistant Public Relations Manager
9. Mr. Piya	Tongpim	Assistant Chief Engineer
10. Miss Patcharanee	Techaruvichit	Assistant HR Manager
11. Mrs. Sudjai	To-Pol	Assistant Housekeeper
12. Mr. Kumporn	Thepchana	Laundry Manager
13. Mr. Wuttinun	Srisuk	IT Manager
14. Mr. Apiwat	Opaswongkul	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 the 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.

In the Year 2021, 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. Please see qualification and details as per attached no. 3

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. 1/2564 (1/2022) that held on 22 February 2020. The conclusion was that the Company has adequacy and suitability for internal control of the existing operation according to 5 aspects for the internal control as follows:

1. **Control Environment:** the board of director of the company has established the operation policies, which were conducted in writing based on ethical provision and integrity. The committee has the role of surveillance, monitoring the administrative section and follow up the business performance respecting the particular objectives. The committee can also develop the internal control system continuously in accordance with their discretion and knowledge of the company. The company also has a policy to develop and preserve the competent personnel. The personnel evaluation is assessed through the performance based on the Code of Conduct.
2. **Risk Management:** The Company lends significance to the risk management by forming the risk management team to conduct the assessment on risks that might affect the Company's operation significantly from both internal and external risk factors everly quarter. The company has assessed risk factors whether it is acceptable or not and also evaluated if the risk factors can be reduced, avoided or shared to find out measures for preventing or reducing the risk by considering a chance of corruption within the company. Another prupose 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.

## **9.2 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 2021, The company and its subsidiaries had 18 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  
**Nature of Transaction** Inter-transaction of loan and accrued interest payable  
**Value (Million Baht)** Baht 47.35 Million for the year 2019  
Baht 37.85 Million for the year 2020  
Baht 25.70 Million for the year 2021

**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  
**Nature of Transaction** Inter-transaction of loan and accrued interest payable  
**Value (Million Baht)** Baht 146.44 Million for the year 2019  
Baht 129.07 Million for the year 2020  
Baht 115.57 Million for the year 2021

**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  
**Nature of Transaction** Inter-transaction of loan and accrued interest payable  
**Value (Million Baht)** Baht 90.45 Million for the year 2019  
Baht 90.89 Million for the year 2020  
Baht 94.78 Million for the year 2021

**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 4.970%.

**4. Name and Relationship** ASIA, a registered company and AP, a subsidiary of ASIA held share in proportion 99.42%  
**Nature of Transaction** Income from rental  
**Value (Million Baht)** Baht 1.20 Million for the year 2019  
Baht 0.30 Million for the year 2020  
Baht -0- Million for the year 2021

**Importance and Reasons** AP rented the ASIA area for setting the office at the monthly rate of Baht100,000.- It is the  
rent of January - March 2020. Due to the COVID-19, AP requested to cancel the lease.

**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)  
**Nature of Transaction** Made property risk insurance with the All Risk Insurance and Public Liability Insurance.  
The value is calculated as premium.

In year 2021, 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 0.67 million for ASIA Amount Insured: Baht 1,553.0 million  
AA = Baht 0.47 million for AA, Amount Insured: Baht 1,153.0 million  
AP = Baht 0.23 million for AP, Amount Insured: Baht 553.0 million  
ZP = Baht 3.90 million for ZP, Amount Insured: Baht 5,380.0 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.

<b>6. Name and Relationship</b>	AA, a subsidiary of ASIA held share in the proportion 100% and ZP subsidiary of ASIA (in the proportion of shares of 94.85% )
<b>Nature of Transaction</b>	AA rented 5 <sup>th</sup> floor area from ZP to use as function room.
<b>Value (Million Baht)</b>	Baht 11.70 million for the year 2019 Baht 7.91 million for the year 2020. Due to COVID-19 pandemic, ZP received the discounted lease and service fees which is similar to other tenants. Baht 9.58 Million for the year 2021
<b>Importance and Reasons</b>	AA rented area on 5 <sup>th</sup> floor with an area of 9,072 square meters from ZP to use as function room. Rental period is 3 years from 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2022 by using the same rate as the other clients in nearby area.
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<b>7. Name and Relationship</b>	AA, a subsidiary of ASIA held share in the proportion 100% and ZP subsidiary of ASIA (in the proportion of shares of 94.85% )
<b>Nature of Transaction</b>	AA extending rental contract period of area 39,380 square meters with ZP
<b>Value (Million Baht)</b>	Baht 390 Million as the end year 2019 Baht 390 Million as the end year 2020 Baht 390 Million as the end year 2021
<b>Importance and Reasons</b>	AA has leased some areas of G floor, the 6 <sup>th</sup> floor and the 9 <sup>th</sup> floor and entire area of the 10 <sup>th</sup> -17 <sup>th</sup> floor, with a total area of 39,380 square meters from ZP. The contract period will be expired on Mar 31, 2023 or 12 years remaining. On Dec 18, 2009, AA renewed the lease contract for extension of the contract period for another 16 years that is from April 1, 2023 to Mar 31, 2039 or 28 years remaining. ZP charges the lease rate at Baht 390 Million, it will be paid in 3 installments; Baht 170 Million in December 2009, Baht 180 Million in February 2010 and Baht 40 Million in June 2010. These lease rate included the monthly service fee of Baht 0.59 million (starting April 2023), the rate will be adjusted of 10% increasingly at every 3 years. The value of lease rate is concordant with the value evaluated by valuers approved by the Thai Valuers Association (TVA) and the Valuers Association of Thailand (VAT) that is Agency for Real Estate Affairs Co., Ltd. valued at Baht 425 Million.
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<b>8. Name and Relation</b>	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
<b>Nature of Transaction</b>	Income from rental area and service fee, ZP received from AA
<b>Value (Million Baht)</b>	Baht 1.87 Million for the year 2019 Baht 1.24 Million for the year 2020. In 2020, Due to COVID-19 pandemic, ZP received the discounted lease and service fees which is similar to other tenants. Baht 1.50 Million for the year 2021
<b>Importance and Reasons</b>	AA rented the area on 8 <sup>th</sup> floor from ZP with area 520.4 square meters with a 3-year contract from 1 July 2018 – 30 June 2021 with the same rate as the other clients in the nearby area.
-----	
<b>9. Name and Relation</b>	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
<b>Nature of Transaction</b>	Income from area rental AA received from ZP
<b>Value (Million Baht)</b>	Baht 1.55 Million for the year 2019 Baht 1.55 Million for the year 2020 Baht 1.55 Million for the year 2021
<b>Importance and Reasons</b>	ZP rented 6 <sup>th</sup> floor area from AA with 3 years contract from 1 January 2019 – 31 December 2021. Subsequently, the lease was renewed for another 3 years, starting from January 1, 2022 - December 31, 2024 with the same rental rates as other clients in the nearby area.
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<b>10. Name and Relation</b>	AA (A subsidiary of ASIA holding 100% of its shares) and ZP (A subsidiary of ASIA holding 94.85% of its shares)
<b>Nature of Transaction</b>	Income from Maintenance Fee ZP received from AA
<b>Value (Million Baht)</b>	Baht 3.18 Million for the year 2019 Baht 2.50 Million for the year 2020. In 2020, Due to COVID-19 pandemic, ZP received the discounted lease and service fees which is similar to other tenants. Baht 3.29 Million for the year 2021



**Importance and Reasons**

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.- Currently, the service contract has been renewed for another 3 years (1 January 2021 - 31 December 2023) as follows:  
1 January 2021 - 31 December 2021 = 274,500 baht per month, 1 January 2022 - 31 December 2022 = 284,100 baht per month, 1 January 2023 - 31 December 2023 = 294,000 baht per month.

**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)**

Baht 19.12 Million for the year 2019  
Baht 16.07 Million for the year 2020  
Baht 16.85 Million for the year 2021

**Importance and Reasons**

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 2019 – 31 October 2022).

**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 0.92 Million for the year 2019  
Baht 0.47 Million for the year 2020, In 2020, due to COVID-19 pandemic, ZP received the discounted lease and service fees which is similar to other tenants.  
Baht 0.56 Million for the year 2021

**Importance and Reasons**

AA rented parking area from ZP for the convenience of hotel clients with 3 year contract from March 1<sup>st</sup>, 2019 to February 28<sup>th</sup>, 2022 at the rate of Baht 77,800.- per month for the 1<sup>st</sup> year, 85,500 baht/month for the 2<sup>nd</sup> year and 94,000 baht/month for the 3<sup>rd</sup> 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 0.94 Million for the year 2019  
Baht 0.77 Million for the year 2020. In 2020, due to COVID-19 pandemic, ZP received the discounted lease and service fees which is similar to other tenants.  
Baht 1.01 Million for the year 2021

**Importance and Reasons**

AA uses the parking management service from ZP with 3 years contract period from June 1<sup>st</sup>, 2020 to May 31<sup>st</sup>, 2021 at the rate of 82,350 baht/month for the 1<sup>st</sup> year, 85,230 baht/month for the 2<sup>nd</sup> year and 88,200 baht/month for the 3<sup>rd</sup> 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

**Nature of Transaction**

ZP rented the land and building from DM

**Value (Million Baht)**

Baht 33.83 Million for the year 2019  
Baht 33.83 Million for the year 2020  
Baht 33.83 Million for the year 2021

**Importance and Reasons**

It was that ZP had made subleasing the land from DM, which was the location of the ZEER project. The leasing contract period is 30 years, from year 1993-2023. The resolution of EGM in 2<sup>nd</sup> quarter of 2007 approved extension of lease agreement for another 25 years. Total remaining period is 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.

**Nature of Transaction**

Debt guarantee transaction of ZP secured by DM

**Value (Million Baht)**

Baht 1,125 Million for the year 2019 to guarantee for credit line  
Baht 1,125 Million for the year 2020 to guarantee for credit line  
Baht 1,125 Million for the year 2021 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 Hotel, Ampor Hangdong Chiang Mai, ZA received from AA

**Value (Million Baht)**

Baht 3.60 Million for the year 2019  
Baht 2.79 Million for the year 2020. In 2020, due to COVID-19 pandemic, ZP received the discounted lease and service fees which is similar to other tenants.  
Baht 2.41 Million for the year 2021

**Importance and Reasons**

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 1<sup>st</sup>, 2021 to April 30<sup>th</sup>, 2022 at the rate of Baht 280,000.- per month

**17. Name and Relation**

AA (A subsidiary of ASIA holding 100% of its shares) and SPA (A subsidiary of ZP holding 100.0% 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 5.40 Million for the year 2019  
Baht 6.62 Million for the year 2020  
Baht 8.37 Million for the year 2021

**Importance and Reasons**

AA rented Ratchapruerk Lanna Boutique, Ampor Hangdong Chiang Mai from ZA for operate room for rent, 76 guest rooms with 3 year contract from October 1<sup>st</sup>, 2018 to September 30<sup>th</sup>, 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.

**18. Name and Relation**

ASIA, the registered company and ABK,(Major shareholder of ASIA and common directors)

**Nature of Transaction**

Inter-transaction of loan and accrued interest payable

**Value (Million Baht)**

Baht 10.41 Million for the year 2021

**Importance and Reasons**

ABK had granted loan to the ASIA for supporting the operation.  
The interest was calculated and the current interest rate is at 5.89%.

## **Part 3**

### **Consolidated Financial Statements ASIA Hotel Public Co., Ltd. As of December 31, 2021**



**ANS Audit Co., Ltd.**

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**Independent Auditor's Report**

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

**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, 2021, the consolidated and separate statements of 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, 2021, 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.



### ***Fair value measurement of land, buildings and buildings improvement***

#### *Risk*

During year 2021, land and buildings and buildings improvement are stated at revalued amount (Asia hotel Bangkok and Asia hotel Pattaya). The Management engaged for an independent appraiser to reappraise their fair value. The measurement of fair value is identified as a key audit matter because land, buildings and buildings improvement are the significant amounts in the consolidated statements of financial position. In addition, the assessment of fair value required the Management to exercise judgement in respect of the key assumptions and estimates. There are therefore risks with respect to the value of land, buildings and buildings improvement.

#### *Auditor's response*

My audit procedures included the following:

- 1) Evaluating the independence external appraiser's qualifications and expertise and being the approved appraiser under the Securities and Exchange Commission of Thailand.
- 2) Evaluating the scope and objectives of the engagement of the independent appraiser, including understanding and evaluating the appropriateness and review of valuation method applied in determination of fair value and key assumptions used.
- 3) Comparing the consistency of valuation model or method used and key assumptions with those used in the prior year.
- 4) Reviewing the completeness and correctness of data prepared by Management which were used in determination of fair value.
- 5) Assessing the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.

### ***Impairment of property, plant and equipment and investments in subsidiaries***

#### *Risk*

As at December 31, 2021, the Group has property, plant and equipment related to hotel business with a net book value amount of Baht 6 Billion, approximately. The hotel business have an impact of COVID-19 which is an indication of impairment of the property, plant and equipment, and might affect to the recoverable amount of the investments in subsidiary in the separate financial statements. The provision for impairment requires significant judgment by Management.

#### *Auditor's response*

My audit procedures included the following:

- 1) Obtaining an understanding of the Group's policy to determine the allowance for impairment of property, plant and equipment and investments in subsidiary in the separate financial statements.
- 2) Considering the appropriateness of the allowance for impairment of the property, plant and equipment of the Group and investments in subsidiary in the separate financial statements 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.
- 3) Verifying the mathematical accuracy of the impairment calculation.
- 4) Analyzing historical information to support the precision in the Group's forecasting process.
- 5) Assessing the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.

### ***Impairment of goodwill***

#### *Risk*

As described in Notes to the financial statements No. 15, with respect to goodwill as at December 31, 2021, amounting to Baht 44.62 million. These items arise from the business acquisition of the subsidiary, ZEER OVERSEA LLC. invested in a hotel business and acquired land and buildings (Quality Inn Long Beach Signal Hill). Impairment of goodwill is a significant accounting estimate required a significant judgment and assumptions of the management, therefore, I consider this matter as a key audit mater.

#### *Auditor's Response*

My audit procedures included the following:

- 1) Evaluating the discounted cash flow method (DCF) provided by the Group and the Group's assumptions applied in the value-in-use method against relevant documents as well as externally derived data.
- 2) Analyzing historical information to support the precision in the Group's forecasting process.
- 3) Testing the principles and mathematical accuracy of the DCF.
- 4) Assessing the adequacy of the Group's disclosure in accordance with Thai Financial Reporting Standards.

### **Emphasis of Matter**

Without qualifying my opinion, I draw attention to Note 2 to the financial statements, due to the COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

### **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.



Sathien Vongsnan  
Certified Public Accountant  
Registration Number 3495

ANS Audit Co., Ltd.  
Bangkok, February 25, 2022



**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	6	112,844,277	106,710,770	3,042,491	2,484,170
Trade and other current receivables - net	7, 8	134,447,391	136,249,931	6,151,573	9,207,589
Inventories - net	9	39,693,012	40,330,958	16,606,310	16,946,051
Other current financial assets	10	764,001	717,684	-	-
Total current assets		287,748,681	284,009,343	25,800,374	28,637,810
Non-current assets					
Other non-current financial assets					
Investments in other company - net	11	-	-	-	-
Restricted deposit with financial institution	12	4,000,000	4,000,000	-	-
Investments in subsidiary companies	13	-	-	1,140,593,700	1,140,593,700
Investment properties - net	14	52,681,686	54,573,765	-	-
Property, plant and equipment - net	15	9,673,262,301	8,718,378,899	3,106,683,742	1,970,860,669
Right-of-use assets - net	17	420,867,605	439,499,303	13,879,513	15,644,928
Goodwill	15	44,624,055	40,107,158	-	-
Intangible assets - net	18	6,661,952	8,650,001	343,615	642,921
Deferred tax assets	19	3,659,377	3,149,096	-	-
Other non-current assets					
Deposit for purchase of assets		4,849,264	4,625,381	1,372,225	746,307
Prepaid withholding income tax		2,010,403	10,690,089	935,332	9,570,980
Others		570,677	1,590,493	-	-
Total non-current assets		10,213,187,320	9,285,264,185	4,263,808,127	3,138,059,505
<b>Total assets</b>		<b>10,500,936,001</b>	<b>9,569,273,528</b>	<b>4,289,608,501</b>	<b>3,166,697,315</b>

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

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	20	220,038,765	224,157,324	135,500,984	84,516,873
Trade payables		14,131,293	21,654,625	3,366,405	5,491,493
Other current payables	8, 21	68,306,706	94,960,244	8,623,117	8,505,311
Current portion of long-term loan from financial institutions	22	353,623,080	194,240,738	60,000,000	44,000,000
Current portion of lease liabilities	8, 23	7,968,849	24,660,015	949,947	973,457
Current portion of deferred income	26	6,496,431	7,681,949	-	-
Short-term loans and accrued interest expense					
- related companies	8	10,411,811	-	246,464,002	257,809,851
Assets payable		23,448,185	26,981,101	704,171	3,086,580
Accrued income tax		10,737,746	1,802,627	-	-
Total current liabilities		715,162,866	596,138,623	455,608,626	404,383,565
Non-current liabilities					
Long-term loan from financial institutions - net	22	1,857,964,830	1,991,404,212	482,128,561	487,000,681
Lease liabilities - net	8, 23	221,457,665	228,507,319	8,528,245	8,558,998
Deferred tax liabilities	19	1,356,543,386	1,135,282,051	537,157,868	308,240,687
Non-current provisions for employee benefit	24	133,121,299	126,992,610	66,346,648	63,444,053
Guarantee for rental	25	133,971,396	141,587,803	10,822,422	11,848,182
Deferred revenue - leasehold rights on leased area	26	-	4,801,501	-	-
Deferred revenue from government grants	27	8,664,475	-	3,022,005	-
Other non-current liabilities		3,482,320	4,169,274	702,200	960,599
Total non-current liabilities		3,715,205,371	3,632,744,770	1,108,707,949	880,053,200
Total liabilities		4,430,368,237	4,228,883,393	1,564,316,575	1,284,436,765

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, 2021**

Unit: Baht

	Consolidated financial statements		Separate financial statements		
	Notes	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
		Common shares Baht 1 par value 500,000,000 shares	500,000,000	500,000,000	500,000,000
Issued and fully paid-up					
		Common shares Baht 1 par value 320,000,000 shares	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	34,749,359	35,672,277	-
Retained earnings					
Appropriated					
	28	Legal reserve	45,606,933	45,606,933	45,606,933
		Unappropriated	360,415,639	505,351,577	156,236,779
		Other components of shareholders' equity	5,041,880,986	4,163,245,205	2,203,448,214
		Total shareholders' equity of the parent company	5,915,396,167	5,182,619,242	2,725,291,926
		Non-controlling interests	155,171,597	157,770,893	-
		Total shareholders' equity	6,070,567,764	5,340,390,135	2,725,291,926
		<b>Total liabilities and shareholders' equity</b>	<b>10,500,936,001</b>	<b>9,569,273,528</b>	<b>4,289,608,501</b>
			<b>3,166,697,315</b>		

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

**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>REVENUES</b>	8, 30, 33				
Income from hotel business		211,777,127	364,716,612	50,068,195	131,202,180
Rental and services income		388,067,476	445,821,733	-	-
<b>Total revenues</b>		<b>599,844,603</b>	<b>810,538,345</b>	<b>50,068,195</b>	<b>131,202,180</b>
<b>COST OF SALES AND SERVICES</b>					
Cost of hotel business					
Cost of hotel business		(228,470,972)	(290,393,068)	(82,064,374)	(117,582,973)
Depreciation - Revaluation surplus of assets	15	(18,656,127)	(17,924,695)	(7,129,786)	(5,357,080)
Cost of rental and services					
Cost of rental and services		(291,020,562)	(331,523,071)	-	-
Depreciation - Revaluation surplus of assets	15	(65,458,590)	(62,339,617)	-	-
<b>Total cost of sales and services</b>		<b>(603,606,251)</b>	<b>(702,180,451)</b>	<b>(89,194,160)</b>	<b>(122,940,053)</b>
<b>GROSS PROFIT (LOSS)</b>		<b>(3,761,648)</b>	<b>108,357,894</b>	<b>(39,125,965)</b>	<b>8,262,127</b>
Other income	32	48,374,776	82,592,736	28,059,149	48,164,423
Distribution costs		(20,617,091)	(36,904,722)	(3,960,467)	(10,011,492)
Administrative expenses		(98,768,390)	(132,479,984)	(26,315,343)	(46,444,133)
Management benefit expenses	35	(3,323,604)	(5,797,497)	(1,358,340)	(2,422,085)
Directors' remuneration	34	-	(691,400)	-	(410,000)
<b>Profit (Loss) from operating activities</b>		<b>(78,095,957)</b>	<b>15,077,027</b>	<b>(42,700,966)</b>	<b>(2,861,160)</b>
Financial cost		(120,374,246)	(124,319,913)	(40,151,221)	(39,731,306)
Impairment loss determined in accordance with TFRS 9		(5,404,629)	(13,446,349)	(1,141,952)	(93,465)
<b>Loss before income tax</b>		<b>(203,874,832)</b>	<b>(122,689,235)</b>	<b>(83,994,139)</b>	<b>(42,685,931)</b>
Income tax (expense) revenue	19	(6,748,372)	394,121	2,271,358	2,485,349
<b>Net loss for the year</b>		<b>(210,623,204)</b>	<b>(122,295,114)</b>	<b>(81,722,781)</b>	<b>(40,200,582)</b>

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



**ASIA HOTEL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

Unit: Baht

Notes	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Other comprehensive income (expense)</b>				
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>				
Exchange differences on translating financial statement	62,685,029	(2,171,013)	-	-
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>				
Losses on revaluation of assets	16 1,103,877,345	-	1,155,942,696	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	16 (220,761,541)	-	(231,188,539)	-
Other comprehensive income (expense) for the year, net of tax	945,800,833	(2,171,013)	924,754,157	-
<b>Total comprehensive expense for the year</b>	<b>735,177,629</b>	<b>(124,466,127)</b>	<b>843,031,376</b>	<b>(40,200,582)</b>
<b>Loss attributable to:</b>				
Equity holders of the parent	(209,092,999)	(120,704,374)	(81,722,781)	(40,200,582)
Non-controlling interests	(1,530,205)	(1,590,740)	-	-
	(210,623,204)	(122,295,114)	(81,722,781)	(40,200,582)
<b>Total comprehensive income (expense) attributable to:</b>				
Equity holders of the parent	733,699,843	(122,762,781)	843,031,376	(40,200,582)
Non-controlling interests	1,477,786	(1,703,346)	-	-
	735,177,629	(124,466,127)	843,031,376	(40,200,582)
<b>BASIC LOSS PER SHARE</b>				
Basic loss per share (Baht)	(0.65)	(0.38)	(0.26)	(0.13)
Number of weighted average share (Shares)	320,000,000	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, 2021

Unit: Baht

Consolidated financial statements													
Equity attributable to equity holders of the Company													
	Notes	Retained earnings				Other components of shareholders' equity					Total shareholders' equity of the parent company	Non-controlling interest	Total shareholders' equity
		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	Gains (loss) on revaluation of assets (Note 16)	Currency translation	Total other components of shareholders' equity	Other comprehensive income			
Balance as at January 1, 2020		320,000,000	112,743,250	36,401,650	45,606,933	559,451,726	4,253,845,702	(21,937,865)	4,231,907,837	5,306,111,396	164,944,866	5,471,056,262	
Changes in equity for the year :													
Non-controlling interest decreased													
from investments in subsidiary		-	-	(729,373)	-	-	-	-	-	(729,373)	(5,470,627)	(6,200,000)	
Transferred to retained earnings		-	-	-	-	66,604,225	(66,604,225)	-	(66,604,225)	-	-	-	
Exchange differences on translating financial statement		-	-	-	-	-	(163,777)	(1,894,630)	(2,058,407)	(2,058,407)	(112,606)	(2,171,013)	
Comprehensive loss for the year		-	-	-	-	(120,704,374)	-	-	-	(120,704,374)	(1,590,740)	(122,295,114)	
Balance as at December 31, 2020		320,000,000	112,743,250	35,672,277	45,606,933	505,351,577	4,187,077,700	(23,832,495)	4,163,245,205	5,182,619,242	157,770,893	5,340,390,135	
Changes in equity for the year :													
Non-controlling interest decreased													
from investments in subsidiary	2	-	-	(922,918)	-	-	-	-	-	(922,918)	(4,077,082)	(5,000,000)	
Transferred to retained earnings	16	-	-	-	-	64,157,061	(64,157,061)	-	(64,157,061)	-	-	-	
Exchange differences on translating financial statement		-	-	-	-	-	4,739,303	54,696,233	59,435,536	59,435,536	3,249,493	62,685,029	
Comprehensive loss for the year		-	-	-	-	(209,092,999)	883,357,306	-	883,357,306	674,264,307	(1,771,707)	672,492,600	
Balance as at December 31, 2021		320,000,000	112,743,250	34,749,359	45,606,933	360,415,639	5,011,017,248	30,863,738	5,041,880,986	5,915,396,167	155,171,597	6,070,567,764	

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, 2021

Unit: Baht

Separate financial statements						
Notes	Retained earnings			Other components of shareholders' equity		
	Paid-up share capital	Legal reserve	Unappropriated	Other comprehensive income		Total shareholders' equity
				Gains on revaluation of assets (Note 16)	Total other components of shareholders' equity	
Balance as at January 1, 2020	320,000,000	45,606,933	266,752,484	1,290,101,715	1,290,101,715	1,922,461,132
Changes in equity for the year :						
Transferred to retained earnings	-	-	5,703,829	(5,703,829)	(5,703,829)	-
Comprehensive loss for the year	-	-	(40,200,582)	-	-	(40,200,582)
Balance as at December 31, 2020	320,000,000	45,606,933	232,255,731	1,284,397,886	1,284,397,886	1,882,260,550
Changes in equity for the year :						
Transferred to retained earnings	-	-	5,703,829	(5,703,829)	(5,703,829)	-
Comprehensive loss for the year	-	-	(81,722,781)	924,754,157	924,754,157	843,031,376
Balance as at December 31, 2021	320,000,000	45,606,933	156,236,779	2,203,448,214	2,203,448,214	2,725,291,926

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, 2021**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flows from operating activities :</b>				
Net loss for the year	(210,623,204)	(122,295,114)	(81,722,781)	(40,200,582)
Adjustment to reconcile net profit (loss) to cash provided by (used in) operating activities				
Income tax expense (revenue)	6,748,372	(394,121)	(2,271,358)	(2,485,349)
Non-current provisions for employee benefit	16,123,037	14,814,994	6,564,542	6,468,884
Depreciation	250,459,520	282,884,450	30,523,715	42,799,801
Amortized intangible assets	2,295,678	2,572,510	307,306	410,236
Depreciation right-of-use assets	17,703,406	18,450,086	1,661,181	1,635,484
Impairment loss determined in accordance with TFRS 9	5,404,629	13,446,349	1,141,952	93,465
Loss from fixed assets revaluation	5,600,340	-	-	-
Gain on measurement fair value of derivatives contract	(15,382)	-	-	-
(Gain) loss on sale of fixed assets	225,611	(99,393)	(6,321)	(14,703)
Loss from written off fixed assets	2,881	330,629	-	-
Corporate income tax deducted at source written off	794,890	853,951	-	-
Income on leasehold rights	(5,987,020)	(6,471,135)	-	-
Revenue from government grants	(1,509,957)	-	(794,714)	-
Financial cost - interest expense	120,374,246	124,319,913	40,151,221	39,731,306
Profit from operations before changes in operating assets and liabilities	207,597,047	328,413,119	(4,445,257)	48,438,542
Operating assets (increase) decrease				
Trade and other current receivables	6,406,588	(26,395,987)	1,914,064	4,886,121
Inventories	637,946	2,354,727	339,741	1,072,192
Other non-current assets	(1,067,584)	(394,811)	(1,753,287)	(266,152)

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, 2021**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Trade payables	(4,328,330)	(10,199,596)	(2,125,088)	(4,508,698)
Other current payables	(3,973,785)	(25,912,083)	(185,737)	(16,960,998)
Guarantee for rental	(7,616,407)	(22,237,263)	(1,025,760)	(581,436)
Other non-current liabilities	(686,954)	(751,035)	(258,399)	(217,198)
Cash received (paid) from operating activities	196,968,521	244,877,071	(7,539,723)	31,862,373
Cash paid for non-current provisions for employee benefit	(9,995,348)	(2,006,990)	(3,661,947)	(1,466,040)
Corporate income tax refund	9,709,808	10,003,837	9,425,120	2,092,609
Corporate income tax paid	(11,506,330)	(13,021,735)	(789,471)	(1,082,589)
Net cash provided by (used in) operating activities	185,176,651	239,852,183	(2,566,021)	31,406,353
<b>Cash flow from investing activities :</b>				
Cash received from sale of fixed assets	307,336	111,124	10,075	20,938
Cash received from government grants	10,174,432	-	3,816,719	-
Cash paid for deposit for purchase of assets	(395,054)	(464,997)	-	-
Cash paid for purchase of fixed assets and intangible assets	(18,167,987)	(42,321,101)	(6,150,609)	(11,425,893)
Assets payable decrease	(23,992,557)	(35,039,223)	(5,204,967)	(5,494,092)
Net cash used in investing activities	(32,073,830)	(77,714,197)	(7,528,782)	(16,899,047)

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, 2021**

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Cash flow from financing activities :</b>				
Bank overdrafts and short term loans from				
financial institution increase (decrease)	(4,118,559)	3,985,577	50,984,111	31,741,480
Cash paid for short-term loans				
and accrued interest expense - related party	-	-	(262,914,628)	(63,105,560)
Cash received for short-term loans				
and accrued interest expense - related parties	10,000,000	-	244,500,000	30,500,000
Cash paid for financial cost	(128,168,333)	(85,023,404)	(29,992,909)	(31,074,053)
Non-controlling interests decrease from investment in subsidiary	(5,000,000)	(6,200,000)	-	-
Cash paid for long-term loans	(32,971,671)	(55,035,243)	-	(14,000,000)
Cash received from long-term loans	43,380,159	74,174,681	8,508,550	31,956,025
Cash paid for lease liabilities	(35,223,816)	(37,458,168)	(432,000)	(2,185,870)
Net cash provided by (used in) financing activities	(152,102,220)	(105,556,557)	10,653,124	(16,167,978)
Cash and cash equivalents increase (decrease) - net	1,000,601	56,581,429	558,321	(1,660,672)
Difference from currency translation	5,132,906	(469,421)	-	-
Cash and cash equivalents at the beginning of year	106,710,770	50,598,762	2,484,170	4,144,842
Cash and cash equivalents at the ending of year	112,844,277	106,710,770	3,042,491	2,484,170

**Supplemental cash flow information:**

Non-cash transactions

Transfer of Trade and other current receivables to

right-of-use assets	-	168,616	-	168,616
Transfer of property, plant and equipment to right-of-use assets	-	2,100,159	-	-
Transfer of prepaid rental to right-of-use assets	-	176,152,809	-	5,889,915
Transfer of other non-current assets to right-of-use assets	-	3,000,000	-	-
Right-of-use assets increased from lease agreements	-	276,527,805	-	11,221,882
Transfer of right-of-use assets to property, plant and equipment	824,058	-	-	-
Transfer of property, plant and equipment to intangible assets	170,000	-	-	-
Transfer of property, plant and equipment to investment properties	74,140,921	-	-	-

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, 2021

#### 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

Ratchapruek 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 Signal Hill).
- 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 compliance Notification of the Department of Business Development, dated December 26, 2019, 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, translated based on the Thai version.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

Preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") 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 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.

### Coronavirus Pandemic 2019 (COVID-19)

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

### Basis of preparation of consolidation financial statements

- a) The consolidated financial statements include the financial statements of Asia Hotel Public Company Limited and its subsidiaries (together referred to as “the Group”). Details of the Company’s subsidiaries are as follows:

Company’s name	Nature of business	Incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
<b>Subsidiaries directly held by the Company</b>				
Asia Pattaya Hotel Co., Ltd.	Hotel and restaurant	Thailand	99.42	99.42
Asia Airport Hotel Co., Ltd.	Hotel and restaurant	Thailand	100.00	100.00
Zeer Property Plc.	Rental shopping complex and utility services	Thailand	94.85	94.85
<b>Subsidiaries held by Zeer Property Plc.</b>				
Zeer Asset Co., Ltd.	Rental hotel	Thailand	99.90	99.90
ZEER OVERSEA LLC.	Rental shopping complex and hotel	USA	99.93	99.93
Spa Hotel Co., Ltd.	Rental shopping complex and rental hotel	Thailand	100.00	96.43

On March 25, 2021, the subsidiary, Zeer Property Plc., purchased shares from an existing shareholder of its subsidiary, Spa Hotel Co., Ltd. of 200,000 shares, at a par value of Baht 10 per share, totaling Baht 2 million. This resulted in Zeer Property Plc., holding a total of 13,699,987 shares in Spa Hotel Co., Ltd., equivalent to 97.86% interest of the capital. This increased the discount on changing in a proportion of the investment of Baht 0.32 million which presented as net from the surplus on change of proportion interest in subsidiary under the shareholder’s equity in “statements of change in shareholders’ equity” and will be recognized as profit or loss upon disposal of investment.

On June 11, 2021, the subsidiary, Zeer Property Plc., purchased shares from an existing shareholder of its subsidiary, Spa Hotel Co., Ltd. of 100,000 shares, at a par value of Baht 10 per share, totaling Baht 1 million. This resulted in Zeer Property Plc., holding a total of 13,799,987 shares in Spa Hotel Co., Ltd., equivalent to 98.57% interest of the capital. This increased the discount on changing in a proportion of the investment of Baht 0.19 million which presented as net from the surplus on change of proportion interest in subsidiary under the shareholder’s equity in “statements of change in shareholders’ equity” and will be recognized as profit or loss upon disposal of investment.

On July 13, 2021, the subsidiary, Zeer Property Plc., purchased shares from an existing shareholder of its subsidiary, Spa Hotel Co., Ltd. of 100,000 shares, at a par value of Baht 10 per share, totaling Baht 1 million. This resulted in Zeer Property Plc., holding a total of 13,899,987 shares in Spa Hotel Co., Ltd., equivalent to 99.29% interest of the capital. This



increased the discount on changing in a proportion of the investment of Baht 0.20 million which presented as net from the surplus on change of proportion interest in subsidiary under the shareholder's equity in "statements of change in shareholders' equity" and will be recognized as profit or loss upon disposal of investment.

On August 13, 2021, the subsidiary, Zeer Property Plc., purchased shares from an existing shareholder of its subsidiary, Spa Hotel Co., Ltd. of 100,000 shares, at a par value of Baht 10 per share, totaling Baht 1 million. This resulted in Zeer Property Plc., holding a total of 13,999,987 shares in Spa Hotel Co., Ltd., equivalent to 100.00% interest of the capital. This increased the discount on changing in a proportion of the investment of Baht 0.21 million which presented as net from the surplus on change of proportion interest in subsidiary under the shareholder's equity in "statements of change in shareholders' equity" and will be recognized as profit or loss upon disposal of investment.

On August 10, 2020, the subsidiary, Zeer Property Plc., entered into a share purchase with an existing shareholder of the subsidiary, Spa Hotel Co., Ltd. of 200,000 shares, at a par value of Baht 10 per share, totaling Baht 2 million. The subsidiary, Zeer Property Plc., which holds a total of 13,079,987 shares in the subsidiary, Spa Hotel Co., Ltd., holds 93.43% interest of the capital. This increased the discount on changing in a proportion of the investment of Baht 0.19 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 November 11, 2020, the subsidiary, Zeer Property Plc., entered into a share purchase with an existing shareholder of the subsidiary, Spa Hotel Co., Ltd. of 420,000 shares, at a par value of Baht 10 per share, totaling Baht 4.20 million. The subsidiary, Zeer Property Plc., which holds a total of 13,499,987 shares in the subsidiary, Spa Hotel Co., Ltd., holds 96.43% 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) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- 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 Group 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.

### **3. New financial reporting standards**

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

During the year 2021, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

#### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2022**

The Federation of Accounting Professions issued certain revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The adoption of these financial reporting standards will not have any significant impact on the Group's financial statements.

### **4. SIGNIFICANT ACCOUNTING POLICIES**

#### **4.1 Revenues and expenses recognition**

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

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

4.1.3. 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.

4.1.4. Service income is recognised when service has been rendered.

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

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

4.1.7. Other incomes and expenses are recognised on an accrual basis.

4.1.8. Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to the purchase of assets are recognized in deferred revenue from government grants and are amortized to profit or loss on a straight-line method over the expected lives of the related assets.

#### **4.2 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.

#### **4.3 Trade and other current receivable**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### 4.4 Financial assets and financial liabilities

##### Classification and measurement of financial assets and financial liabilities

###### *Classification*

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

###### *Measurement*

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

- *Amortised cost:* A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- *FVOCI:* A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- *FVPL:* A asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

#### ***Impairment***

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

#### **4.5 Inventory**

The Group 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 Group provided allowance for impairment of inventories for quality-deteriorated, damaged, obsolete stock.

#### **4.6 Investments in subsidiary companies**

Investments in subsidiary companies are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

Cost of investment is calculated by weighted average method.

#### **4.7 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

#### **4.8 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 Group 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	5 - 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 Group 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 Group 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 Group 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 Group 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 Group recognised repairs and maintenance as building improvement when their future economic benefits are in excess of one fiscal year.

#### **4.9 Leases**

##### ***Leases - where the Group is the lessee***



At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	15, 28 years
Buildings and Building improvements	28 years
Vehicles	5 years

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the

ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

#### ***Short-term leases and leases of low-value assets***

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### ***Leases - where the Group is the lessor***

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and will be gradually reduced against the income over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **4.10 Goodwill**

Goodwill represents the excess of the cost of investment over the fair value of net identifiable assets of the subsidiary at the date of acquisition. Goodwill on acquisition of net assets is presented as a separate line in the consolidated financial statements.

The goodwill recognised is tested annually for impairment and carried at cost less accumulated impairment losses. The impairment of goodwill is determined by calculating the realizable value based on the value-in-use calculation. Such calculation requires the use of estimates made by management. The allowance for impairment loss on goodwill is not reversed.

As for the cost of acquiring an investment that is lower than the fair value of net identifiable assets of the subsidiary, the difference is negative goodwill and will be recognised immediately in the statement of profit or loss.

### **4.11 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.

### **4.12 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.

#### **4.13 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, other related right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss or decrease appraisal surplus if those assets have been revaluated and recorded as appraisal surplus include in shareholders' equity.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss or "appraisal surplus", whichever is practical.

#### **4.14 Transactions in foreign currencies**

The Group 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 Group will record the difference from currency translation as income or expense from sale of such overseas company.

#### **4.15 Provident Fund and Employee benefit obligation**

##### **4.15.1 Provident Fund**

The Group has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The Group and employee made contribution into such provident fund. The Group's contribution payments to the provident fund were recorded as expense in the statements of income in the incurred period.

#### 4.15.2 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 gains (losses) on re-measurements of defined benefit plan in the other comprehensive income and loss in the period in which they arise.

#### 4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

The Group recognises corporate income tax as expense for the occurring period as described in the Revenue Code.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.17 Segment Information

Segment information is the management views for reporting the Group's operation information which referenced from the internal information that the most authorized operation officer has consistently reviewed.

Geographical segments provide services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environments.

#### **4.18 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **4.19 Basic loss per share**

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

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

The preparation of the financial statements in conformity with Financial Reporting Standards 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:

#### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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

The Group 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.

#### **Fair valuation of financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

#### **Impairment of assets**



The Group 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 Group 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, investment properties and intangible assets.**

Management determines the estimated useful lives and residual values for the Group's building, equipment, investment properties and intangible assets. 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.

#### **Goodwill/Intangible assets acquired from business acquisition**

In recording the initial recognition and measurement of goodwill as at the acquired date and subsequent impairment testing, the management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### **Leases**

##### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgment in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Group to exercise either the extension or termination option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

##### ***Estimating the incremental borrowing rate - The Group as a lessor***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate (IBR) to discount lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

##### ***Lease classification - The Group as a lessor***

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

#### **Retirement employee benefits**

The Group has commitments on retirement benefits to employees under the Thai Labour Law. The amount of provision presented in the statement of financial position represents the present value of employee benefit obligations which is determined on an actuarial basis using various assumptions. The assumptions used in determining the net period cost for employee benefits includes the discount rate, the rate of salary inflation and employee turnover and others. Any changes in these assumptions will impact the net periodic cost recorded for employee benefits. On an annual basis, the Group determines those assumptions i.e. the appropriate discount rate, which should represent the interest rate that should be used to determine the present value of future cash flows currently expected to be required to settle the employee benefits. In determining the appropriate discount rate, the Group considers the current yields on long-term government bonds.

#### **Provisions**

Provisions are recognised when the Group 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.

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash on hand	2,744	2,372	1,914	1,781
Non-clearing cheques	445	106	384	104
Cash at banks				
Current account	24,862	31,010	635	419
Saving account	84,784	73,214	109	180
Fixed deposit with maturity				
of less than 3 months	9	9	-	-
Total cash and cash equivalents	112,844	106,711	3,042	2,484

## 7. TRADE AND OTHER CURRENT RECEIVABLES – NET

Trade and other current receivables - net as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Trade receivable</b>				
The Company and its three subsidiaries, involved in the hotel business :				
Current accounts	4,428	11,901	3,583	4,854
Overdue 1 - 30 days	1,297	6,756	334	827
Overdue 31 - 60 days	181	5,632	94	587
Overdue 61 - 90 days	43	4,521	50	467
Overdue 91 - 365 days	1,090	3,421	1,047	1,590
Overdue more than 1 year	6,044	2,953	2,061	515
	13,083	35,184	7,169	8,840
Less Allowance for expected credit loss	(5,356)	(2,922)	(1,657)	(515)
Total	7,727	32,262	5,512	8,325

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Subsidiary company - Zeer Property Plc. involved in				
rental shopping complex business :				
Current accounts	8,981	4,633	-	-
Overdue 1 - 30 days	16,488	14,840	-	-
Overdue 31 - 60 days	15,177	10,909	-	-
Overdue 61 - 90 days	8,847	8,345	-	-
Overdue 91 - 365 days	24,616	25,666	-	-
Overdue more than 1 year	32,963	19,747	-	-
	<u>107,072</u>	<u>84,140</u>	<u>-</u>	<u>-</u>
<u>Less</u> Allowance for expected credit loss	<u>(31,645)</u>	<u>(28,379)</u>	<u>-</u>	<u>-</u>
	<u>75,427</u>	<u>55,761</u>	<u>-</u>	<u>-</u>
Total	83,154	88,023	5,512	8,325
Post dated cheques	2,642	8,001	-	-
Trade receivable - net	<u>85,796</u>	<u>96,024</u>	<u>5,512</u>	<u>8,325</u>
<b>Other current receivable</b>				
Other current receivable	7,922	7,922	-	-
Prepaid expenses	3,518	4,933	496	663
Withholding tax	34,838	25,158	-	-
Others	12,588	12,428	144	220
Total other current receivable	<u>58,866</u>	<u>50,441</u>	<u>640</u>	<u>883</u>
<u>Less</u> Allowance for expected credit loss	<u>(10,215)</u>	<u>(10,215)</u>	<u>-</u>	<u>-</u>
Total other current receivable - net	<u>48,651</u>	<u>40,226</u>	<u>640</u>	<u>883</u>
Total trade and				
other current receivable - net	<u>134,447</u>	<u>136,250</u>	<u>6,152</u>	<u>9,208</u>
Change in allowance for expected credit loss				
Beginning balance	41,516	29,709	515	421
Increase during the year	5,700	11,807	1,142	94
Ending balance	<u>47,216</u>	<u>41,516</u>	<u>1,657</u>	<u>515</u>

## 8. 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</u>		<u>Relationship</u>	<u>Related by</u>
	<u>Incorporation</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 Muang Grand Plaza Co., Ltd.	Thailand		Related company	Common shareholder and director

Balances with related parties as at December 31, 2021 and 2020 are summarized below:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Trade receivables</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.	-	-	34	119
Asia Airport Hotel Co., Ltd.	-	-	-	6
Zeer Property Plc.	-	-	7	11
<b>Prepaid insurance expense</b>				
Related company				
Nam Seng Insurance Plc.	1,853	2,204	219	279

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Other current payable</b>				
Directors	2,143	4,017	-	-
<b>Lease liabilities</b>				
Related company				
Don Muang Grand Plaza Co., Ltd	214,931	237,903	-	-

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements		Policy to charge the Inter-company borrowing cost (%)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Short-term loans and accrued interest expenses from related parties</b>						
Subsidiaries						
Asia Pattaya Hotel Co., Ltd.						
- Loans	-	-	-	-	-	7.25
- Accrued interest expenses	-	-	115,570	129,070		
Total	-	-	115,570	129,070		
Asia Airport Hotel Co., Ltd.						
- Loans	-	-	-	5,521	7.25	7.25
- Accrued interest expenses	-	-	25,698	32,325		
Total	-	-	25,698	37,846		
Zeer Property Plc.						
- Loans	-	-	90,000	90,000	4.97	4.97
- Accrued interest expenses	-	-	4,784	894		
Total	-	-	94,784	90,894		

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements		Policy to charge the Inter-company borrowing cost (%)	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Short-term loans and accrued interest expenses from related parties</b>						
Related company						
A.B.K. Enterprise Co., Ltd.						
- Loans	10,000	-	10,000	-	5 - 5.89	-
- Accrued interest expenses	412	-	412	-		
Total	10,412	-	10,412	-		
Total short-term loans and accrued interest expenses from related parties						
	10,412	-	246,464	257,810		

The Company has loans from 3 subsidiaries, Asia Pattaya Hotel Co., Ltd., and Asia Airport Hotel Co., Ltd. in form of promissory notes, which are due at call and without collateral and Zeer Property Plc. in form of promissory notes, and are due on January to March 2022 and without collateral.

The Company has loans from a related company, A.B.K. Enterprise Co., Ltd. in form of promissory notes, and are due on March 2022 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,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
<b>Short-term loans</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	-	6,500
Increase during the year	-	-	-	1,000
Repayment during the year	-	-	-	(7,500)
Ending balance	-	-	-	-
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	5,521	15,021
Repayment during the year	-	-	(5,521)	(9,500)
Ending balance	-	-	-	5,521
Zeer Property Plc.				
Beginning balance	-	-	90,000	90,000
Increase during the year	-	-	234,500	29,500
Repayment during the year	-	-	(234,500)	(29,500)
Ending balance	-	-	90,000	90,000
Related company				
A.B.K. Enterprise Co., Ltd.				
Beginning balance	-	-	-	-
Increase during the year	10,000	-	10,000	-
Ending balance	10,000	-	10,000	-

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
<b>Accrued interest expenses</b>				
Subsidiaries				
Asia Pattaya Hotel Co., Ltd.				
Beginning balance	-	-	129,070	139,938
Increase during the year	-	-	-	232
Repayment during the year	-	-	(13,500)	(11,100)
Ending balance	-	-	115,570	129,070
Asia Airport Hotel Co., Ltd.				
Beginning balance	-	-	32,325	32,325
Increase during the year	-	-	151	818
Repayment during the year	-	-	(6,778)	(818)
Ending balance	-	-	25,698	32,325
Zeer Property Plc.				
Beginning balance	-	-	894	453
Increase during the year	-	-	6,505	5,129
Repayment during the year	-	-	(2,615)	(4,688)
Ending balance	-	-	4,784	894
Related company				
A.B.K. Enterprise Co., Ltd.				
Beginning balance	-	-	-	-
Increase during the year	412	-	412	-
Ending balance	412	-	412	-

### Sales and purchases of goods and services

Transactions between the Company and related parties for the years ended December 31, 2021 and 2020 are summarized below:

	Unit: Thousands Baht				Pricing Policy
	Consolidated financial statements		Separate financial statements		
	2021	2020	2021	2020	
<b>Income from hotel business</b>					
Rooms revenue					
Related company					
Nam Seng Insurance Plc.	-	662	-	662	At the agreed price
Food & Beverage income					
Related company					
Nam Seng Insurance Plc.	-	662	-	662	At the agreed price
Laundry income					
Subsidiary					
Asia Airport Hotel Co., Ltd.	-	-	592	-	At the agreed price
<b>Rental income</b>					
Subsidiary					
Asia Pattaya Hotel Co., Ltd.	-	-	-	300	As specified in agreement
<b>Other income</b>					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	56	31	At the agreed price
Asia Pattaya Hotel Co., Ltd.	-	-	108	298	At the agreed price
Zeer Property Plc.	-	-	100	60	At the agreed price
Related company					
Nam Seng Insurance Plc.	-	43	-	43	At the agreed price
<b>Insurance premiums expenses</b>					
Related company					
Nam Seng Insurance Plc.	4,797	5,438	682	780	As specified in agreement

Unit: Thousands Baht

	Consolidated financial		Separate financial		Pricing Policy
	statements		statements		
	2021	2020	2021	2020	
<b>Financial cost</b>					
Interest expenses					
Subsidiaries					
Asia Airport Hotel Co., Ltd.	-	-	151	818	7.25% per annum
Asia Pattaya Hotel Co., Ltd.	-	-	-	232	7.25% per annum
Zeer Property Plc.	-	-	6,505	5,129	4.97 - 5.87% per annum
Related company					
A.B.K. Enterprise Co., Ltd.	412	-	412	-	5.00 - 5.89% per annum
Interest expense on lease liabilities					
Related company					
Don Muang Grand Plaza Co., Ltd.	10,861	11,930	-	-	The incremental borrowing rate

## 9. INVENTORIES - NET

Inventories - net as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Restaurant				
- Food	1,418	2,010	773	1,004
- Beverage	984	1,051	619	641
- Supplies	4,055	4,155	73	103
Hotel				
- Supplies	7,839	8,200	1,660	1,694
- Operating equipment	13,814	13,391	1,898	1,980
- Reserve of operating equipment	11,717	11,658	11,717	11,658
Total	39,827	40,465	16,740	17,080
Less Allowance for impairment of inventories	(134)	(134)	(134)	(134)
Inventories - net	39,693	40,331	16,606	16,946

## 10. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht	
	Consolidated financial statements	
	December 31, 2021	December 31, 2020
Fixed deposit	749	718
Derivative asset	15	-
<b>Total other current financial assets</b>	<b>764</b>	<b>718</b>

## 11. INVESTMENTS IN OTHER COMPANY - NET

Types of Business	Unit: Thousands Baht							
	Paid-up shared capital		% of shareholding		Cost method		Dividend income	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Jet Cat Tour Co., Ltd.	80,000	80,000	19.00	19.00	15,200	15,200	-	-
<u>Less</u> Allowance for expected credit loss					(15,200)	(15,200)		
<b>Total investment in other company - net</b>					<b>-</b>	<b>-</b>		



## 12. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTION

Fixed deposit of a subsidiary, Zeer Property Plc. in amount of Baht 4 million was pledged to guarantee for overdraft as stated in Note 20.

## 13. INVESTMENTS IN SUBSIDIARY COMPANIES

Investments in subsidiary companies as at December 31, 2021 and 2020, and dividend income for the years ended December 31, 2021 and 2020 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,
		2021	2020	2021	2020	2021	2020	2021	2020
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	-	-
Total investments in subsidiary companies						1,140,593	1,140,593	-	-

The following subsidiaries have material Non-controlling interests.

Name of subsidiary	Type of business	Ownership interests held by NCI (percentage)	Unit: Thousands Baht				
			Comprehensive income		Accumulated		
			attributable to		Non-controlling		
			Non-controlling		interest		
		interest		2021	2020	2021	2020
Asia Pattaya Hotel Co., Ltd.	Hotel	0.58	(350)	(75)	7,434	7,783	
Zeer Property Plc.	Shopping Complex for rent and utility services	5.15	1,828	(1,628)	147,738	149,988	
Total			1,478	(1,703)	155,172	157,771	

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

	Unit: Thousands Baht					
	Asia Pattaya Hotel Co., Ltd.		Zeer Property Plc.		Total	
	2021	2020	2021	2020	2021	2020
Current assets	123,166	153,114	424,910	350,417	548,076	503,531
Non-current assets	1,549,826	1,610,443	5,041,309	5,152,996	6,591,135	6,763,439
Current liabilities	(53,961)	(66,220)	(392,208)	(332,298)	(446,169)	(398,518)
Non-current liabilities	(337,396)	(355,496)	(2,278,423)	(2,411,423)	(2,615,819)	(2,766,919)
<b>Net assets</b>	<b>1,281,635</b>	<b>1,341,841</b>	<b>2,795,588</b>	<b>2,759,692</b>	<b>4,077,223</b>	<b>4,101,533</b>
<b>Net assets attributable to</b>						
<b>Non-controlling interests</b>	<b>7,434</b>	<b>7,783</b>	<b>147,738</b>	<b>149,988</b>	<b>155,172</b>	<b>157,771</b>
<b>Revenues</b>	<b>31,652</b>	<b>56,606</b>	<b>521,602</b>	<b>560,875</b>	<b>553,254</b>	<b>617,481</b>
Net loss for the year Attributable to						
Non-controlling interests	(108)	(75)	(1,422)	(1,515)	(1,530)	(1,590)
Total other comprehensive income (expense)						
attributable to non-controlling interests	(242)	-	3,250	(113)	3,008	(113)
<b>Total comprehensive income (expense) for the year</b>						
<b>attributable to non-controlling interests</b>	<b>(350)</b>	<b>(75)</b>	<b>1,828</b>	<b>(1,628)</b>	<b>1,478</b>	<b>(1,703)</b>
Net cash provided by (used in)						
Operating activities	7,865	(11,233)	181,346	241,123	189,211	229,890
Investing activities	5,566	6,319	(11,592)	(49,441)	(6,026)	(43,122)
Financing activities	(12,619)	2,678	(174,564)	(132,309)	(187,183)	(129,631)
<b>Cash and cash equivalents</b>						
<b>Increase(decrease) - net</b>	<b>812</b>	<b>(2,236)</b>	<b>(4,810)</b>	<b>59,373</b>	<b>(3,998)</b>	<b>57,137</b>

#### 14. INVESTMENT PROPERTIES - NET

Investment properties - net as at December 31, 2021 and 2020 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
<b>Cost</b>				
As at January 1, 2021	65,575	8,902	1,026	75,503
Purchase	-	-	13	13
Written off	-	-	(15)	(15)
As at December 31, 2021	65,575	8,902	1,024	75,501
<b>Less Accumulated depreciation</b>				
As at January 1, 2021	(11,375)	(8,614)	(940)	(20,929)
Depreciation for the year	(1,868)	(5)	(32)	(1,905)
Written off	-	-	15	15
As at December 31, 2021	(13,243)	(8,619)	(957)	(22,819)
<b>Net book value</b>				
As at December 31, 2020	54,200	288	86	54,574
As at December 31, 2021	52,332	283	67	52,682

The subsidiary uses land with its construction as collateral for loan from banks as stated in Notes 20 and 22.

The fair values of the investment properties (Apartment Project for rent) as at December 31, 2021 and 2020 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, 2021	December 31, 2020
Apartment Project	64,000	64,000

## 15. PROPERTY, PLANT AND EQUIPMENT – NET

For the year ended December 31, 2021, the Group 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	Leasehold	Machinery and equipment	Furniture and fixtures	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total	
	Historical	Revaluation	Land	Historical	Revaluation	Loss from fixed	project									
	cost	surplus	improvement	cost	surplus	assets revaluation	improvement									
<b>Cost</b>																
As at January 1, 2021	687,950	2,891,817	1,545	4,588,790	3,634,630	(50,754)	162,657	3,657	283,734	1,369,199	102,044	168,402	78,292	75,128	152,584	14,149,675
Purchase	-	-	-	5,242	-	-	-	-	489	4,124	469	806	1,480	2,557	22,358	37,525
Revaluation (Devaluation)	-	1,227,061	-	-	(225,882)	(5,600)	-	-	-	-	-	-	-	-	-	995,579
Disposals	-	-	-	-	-	-	-	-	(122)	(1,631)	(212)	(8)	-	-	-	(1,973)
Written off	-	-	-	-	-	-	-	-	-	-	-	-	(593)	(295)	-	(888)
Transfer in (Transfer out)	-	-	-	115,003	-	-	-	-	141	47,085	806	946	466	-	(164,447)	-
Transfer from right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	-	-	5,310	-	5,310
Transfer to intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(170)	(170)
Financial statement translation	32,632	6,760	-	29,935	-	-	-	-	-	2,270	-	-	4	108	-	71,709
As at December 31, 2021	720,582	4,125,638	1,545	4,738,970	3,408,748	(56,354)	162,657	3,657	284,242	1,421,047	103,107	170,146	79,649	82,808	10,325	15,256,767
<b>Less Accumulated depreciation</b>																
As at January 1, 2021	-	-	1,544	2,335,638	1,161,178	-	74,837	3,249	244,625	1,217,882	98,143	159,794	66,382	68,024	-	5,431,296
Depreciation for the year																
Cost	-	-	-	86,415	-	-	15,604	182	6,815	42,916	1,112	3,213	4,752	3,431	-	164,440
Revaluated	-	-	-	-	84,115	-	-	-	-	-	-	-	-	-	-	84,115
Revaluation (Devaluation)	-	-	-	-	(102,697)	-	-	-	-	-	-	-	-	-	-	(102,697)
Disposals	-	-	-	-	-	-	-	-	(118)	(1,228)	(200)	(8)	-	-	-	(1,554)
Written off	-	-	-	-	-	-	-	-	-	-	-	-	(590)	(295)	-	(885)
Transfer from right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	-	-	4,486	-	4,486
Financial statement translation	-	-	-	3,546	-	-	-	-	-	748	-	-	1	9	-	4,304
As at December 31, 2021	-	-	1,544	2,425,599	1,142,596	-	90,441	3,431	251,322	1,260,318	99,055	162,999	70,545	75,655	-	5,583,505
<b>Net book value</b>																
As at December 31, 2021	720,582	4,125,638	1	2,313,371	2,266,152	(56,354)	72,216	226	32,920	160,729	4,052	7,147	9,104	7,153	10,325	9,673,262
As at December 31, 2020	687,950	2,891,817	1	2,253,152	2,473,452	(50,754)	87,820	408	39,109	151,317	3,901	8,608	11,910	7,104	152,584	8,718,379



Separated financial statements

Unit: Thousands Baht

	Land		Building and building improvement		Public utility system	Machinery and equipment	Furniture and fixtures	Furniture ornaments	Equipment for hotel and restaurants	Tool and office equipment	Vehicles	Work under construction	Total
	Historical cost	Revaluation surplus	Historical cost	Revaluation surplus									
<b>Cost</b>													
As at January 1, 2021	159,120	1,348,825	501,299	366,988	103,933	156,296	450,279	85,627	89,481	19,914	5,932	27,000	3,314,694
Purchase	-	-	-	-	-	42	1,232	-	227	155	-	8,753	10,409
Revaluated	-	1,134,146	-	21,796	-	-	-	-	-	-	-	-	1,155,942
Disposals	-	-	-	-	-	(122)	(1,228)	(193)	(8)	-	-	-	(1,551)
Written off	-	-	-	-	-	-	-	-	-	(413)	-	-	(413)
Transfer in (Transfer out)	-	-	-	-	4,821	75	26,025	-	-	-	-	(30,921)	-
As at December 31, 2021	159,120	2,482,971	501,299	388,784	108,754	156,291	476,308	85,434	89,700	19,656	5,932	4,832	4,479,081
<b>Less Accumulated depreciation</b>													
As at January 1, 2021	-	-	408,506	110,315	70,380	124,102	435,687	85,307	87,166	16,975	5,395	-	1,343,833
Depreciation for the year													
Cost	-	-	4,651	-	6,736	5,126	5,005	132	577	1,167	-	-	23,394
Revaluated	-	-	-	7,130	-	-	-	-	-	-	-	-	7,130
Disposals	-	-	-	-	-	(118)	(1,228)	(193)	(8)	-	-	-	(1,547)
Written off	-	-	-	-	-	-	-	-	-	(413)	-	-	(413)
As at December 31, 2021	-	-	413,157	117,445	77,116	129,110	439,464	85,246	87,735	17,729	5,395	-	1,372,397
<b>Net book value</b>													
As at December 31, 2021	159,120	2,482,971	88,142	271,339	31,638	27,181	36,844	188	1,965	1,927	537	4,832	3,106,684
As at December 31, 2020	159,120	1,348,825	92,793	256,673	33,553	32,194	14,592	320	2,315	2,939	537	27,000	1,970,861

Depreciation in the statements of profit or loss for the years ended December 31, 2021 and 2020 are as follow:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation - Historical Cost	164,440	193,673	23,394	35,670
Depreciation - Revaluation surplus	84,115	87,194	7,130	7,130

Building and equipment as at December 31, 2021 and 2020 in amount of Baht 1,829.49 million and Baht 1,685.70 million, respectively in consolidated financial statements and Baht 718.11 million and Baht 707.32 million, respectively in separate financial statements, have been fully depreciated but still in use.

The Group uses land with its construction as collateral for loan from a bank as stated in Notes 20 and 22

As at December 31, 2021 and 2020, the subsidiary, ZEER OVERSEA LLC., has goodwill from the invested in a hotel business (Quality Inn Long Beach Signal Hill) in amount of Bath 44.62 million and Bath 40.11 million, respectively, the management has considered and believed that no impairment was required for goodwill.

## 16. REAPPRAISAL

The Group 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, 2021	Increased (decreased) (amortization) during the year	Deferred tax liability decreased (increased)	Difference from foreign exchange rates	Balance as at December 31, 2021
Land	2,308,951	1,227,061	(245,412)	4,743	3,295,343
Building and building improvement and public utility system	2,907,982	(225,882)	45,177	-	2,727,277
Total excess of revaluation surplus	5,216,933	1,001,179	(200,235)	4,743	6,022,620
<u>Less</u> Accumulated revaluation surplus - write-off	(929,866)	18,582	(3,703)	-	(914,987)
Total revaluation surplus	4,287,067	1,019,761	(203,938)	4,743	5,107,633
<u>Less</u> Non-controlling interest - net	(99,989)	4,220	(844)	(3)	(96,616)
Total revaluation surplus - net	4,187,078	1,023,981	(204,782)	4,740	5,011,017

As at March 31, 2021, the subsidiary– Asia Pattaya Hotel Co., Ltd. engaged independent appraiser to reappraise land, building and building improvement are as follows:

- Land, according to the appraisal report dated April 22, 2021, having the appraised value, based on the market approach method, totaling Baht 1,526.08 million. The subsidiary recognised the revaluation surplus of Baht 92.92 million in the statement of comprehensive income.
- Building and building improvement, according to the appraisal report dated April 22, 2021, having the appraised value, based on the depreciated replacement cost approach method, totaling Baht 21.28 million. The subsidiary recorded the reversal of the revaluation surplus of Baht 144.98 million in the statement of comprehensive income and recognised loss from fixed assets revaluation of Baht 5.60 million in profit or loss.

	Unit: Thousands Baht			
	Seperated financial statement			
	Balance as at January 1, 2021	Increased (amortization) during the year	Deferred tax liability decreased (increased)	Balance as at December 31, 2021
Land	1,079,061	1,134,146	(226,829)	1,986,378
Building and building improvement and public utility system	293,589	21,796	(4,359)	311,026
Total excess of revaluation surplus	1,372,650	1,155,942	(231,188)	2,297,404
<u>Less</u> Accumulated revaluation surplus- write-off	(88,252)	(7,130)	1,426	(93,956)
Total revaluation surplus - net	1,284,398	1,148,812	(229,762)	2,203,448

As at December 31, 2021, the Company engaged independent appraiser to reappraise land, building and building improvement, according to the appraisal report dated February 11, 2022, having the appraised value, based on the market approach method, totaling Baht 3,104.22 million. The Company recognised the revaluation surplus for land of Baht 1,134.15 million and for building and building improvement of Baht 21.80 million in the statement of comprehensive income.

## 17. RIGHT-OF-USE ASSETS – NET

Right-of-use assets - net as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht	
	Consolidated financial statements	Separate financial statements
<b>Assets - Cost</b>		
As at January 1, 2021	461,159	17,280
Transfer to property, plant and equipment	(5,310)	-
Lease modifications	(104)	(104)
As at December 31, 2021	455,745	17,176
<b>Less Accumulated depreciation</b>		
As at January 1, 2021	(21,660)	(1,635)
Depreciation for the year	(17,703)	(1,661)
Transfer to property, plant and equipment	4,486	-
As at December 31, 2021	(34,877)	(3,296)
<b>Net book value</b>		
As at December 31, 2021	420,868	13,880
As at January 1, 2021	439,499	15,645

The recognized right-of-use assets – net relate to the following types of assets:

	Unit: Thousands Baht			
	Consolidated financial statements		Separated financial statement	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Land	406,988	422,778	-	-
Building and building improvement	12,627	13,984	12,627	13,984
Vehicles	1,253	2,737	1,253	1,661
Total right-of-use assets	420,868	439,499	13,880	15,645

## 18. INTANGIBLE ASSETS - NET

Intangible assets - net as at December 31, 2021 are as follows:

Unit: Thousands Baht					
Consolidated financial statement					
Balance as at January 1, 2021	Movement during the year			Balance as at December 31, 2021	
	Increased	Transfer from property, plant and equipment	Financial statement translation		
<b>Cost</b>					
Computer Software	22,956	13	170	-	23,139
Trademark	1,276	-	-	144	1,420
<b>Total cost</b>	<b>24,232</b>	<b>13</b>	<b>170</b>	<b>144</b>	<b>24,559</b>
<b>Accumulated amortization</b>					
Computer Software	(15,443)	(2,228)	-	-	(17,671)
Trademark	(139)	(68)	-	(19)	(226)
<b>Total accumulated amortization</b>	<b>(15,582)</b>	<b>(2,296)</b>	<b>-</b>	<b>(19)</b>	<b>(17,897)</b>
<b>Intangible assets - net</b>	<b>8,650</b>				<b>6,662</b>

Unit: Thousands Baht				
Seperated financial statement				
Balance as at January 1, 2021	Movement during the yaer		Balance as at December 31, 2021	
	Increased	Decreased		
<b>Cost</b>				
Computer Software	5,743	8	-	5,751
<b>Accumulated amortization</b>				
Computer Software	(5,100)	(307)	-	(5,407)
<b>Intangible assets - net</b>	<b>643</b>			<b>344</b>

Amortization for the years ended December 31, 2021 and 2020 in the consolidated statement of profit or loss are Baht 2.30 million and Baht 2.57 million, respectively and in the separate statements of profit or loss are Baht 0.31 million and Bath 0.41 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.



## 19. DEFERRED TAX

Deferred tax as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht					
	Consolidated financial statements					
	Assets		Liabilities		Net	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Property, plant and						
equipment - revaluated	-	-	1,284,807	1,081,488	1,284,807	1,081,488
Non-current provisions for						
employee benefit	(26,781)	(25,399)	-	-	(26,781)	(25,399)
Deferred revenue - leasehold						
rights on leased area	(1,044)	(1,903)	-	-	(1,044)	(1,903)
Tax loss carried forward	(5,420)	(6,392)	-	-	(5,420)	(6,392)
Depreciation	-	-	77,278	63,478	77,278	63,478
Loss form fixed assets revaluation	(12,176)	(10,764)	-	-	(12,176)	(10,764)
Leases	-	-	23,393	20,887	23,393	20,887
Others	(1,061)	(574)	13,888	11,312	12,827	10,738
<b>Total</b>	<b>(46,482)</b>	<b>(45,032)</b>	<b>1,399,366</b>	<b>1,177,165</b>	<b>1,352,884</b>	<b>1,132,133</b>
Income tax offsetting	42,823	41,883	(42,823)	(41,883)	-	-
Deferred tax (assets) and liabilities - net	<b>(3,659)</b>	<b>(3,149)</b>	<b>1,356,543</b>	<b>1,135,282</b>	<b>1,352,884</b>	<b>1,132,133</b>

	Unit: Thousands Baht					
	Separate financial statements					
	Assets		Liabilities		Net	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Inventories	(27)	(27)	-	-	(27)	(27)
Property, plant and						
equipment - revaluated	-	-	550,862	321,100	550,862	321,100
Non-current provisions for						
employee benefit	(13,269)	(12,689)	-	-	(13,269)	(12,689)
Leases	(77)	(40)	-	-	(77)	(40)
Other	(331)	(103)	-	-	(331)	(103)
<b>Total</b>	<b>(13,704)</b>	<b>(12,859)</b>	<b>550,862</b>	<b>321,100</b>	<b>537,158</b>	<b>308,241</b>
Income tax offsetting	13,704	12,859	(13,704)	(12,859)	-	-
Deferred tax liabilities - net	-	-	<b>537,158</b>	<b>308,241</b>	<b>537,158</b>	<b>308,241</b>

Income tax expense for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Corporate income tax expense	(8,355)	(2,852)	-	-
Deferred taxes income	1,607	3,246	2,271	2,485
Income tax (expense) revenue	(6,748)	394	2,271	2,485

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	
	2021	2020	2021	2020
Loss before income tax	(203,875)	(122,689)	(83,994)	(42,686)
Income tax rate	20%	20%	20%	20%
Current income tax revenue as tax rate	(40,775)	(24,538)	(16,799)	(8,537)
Non-deductible expenses by the Revenue Code	2,819	4,763	677	565
Allowance by the Revenue Code	(177)	(190)	(174)	(188)
Non-taxable income	(2,978)	(4,104)	-	-
Income tax from profit (loss) related parties	6,141	(183)	-	-
Net loss in current year,				
not recognized as deferred tax	38,916	22,219	14,025	5,675
Difference from income tax rate	2,802	665	-	-
Other	-	974	-	-
Income tax expense (revenue)	6,748	(394)	(2,271)	(2,485)
The average effective tax rate	3%	(0%)	(3%)	(6%)

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

Expiry date	Unit: Million Baht	
	Consolidated financial statements	
2022	19.50	
2023	42.59	
2024	75.93	
2025	111.15	
2026	194.59	
Total	443.76	

The Company and its subsidiaries in domestic used income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2021 and 2020.

The subsidiary in overseas calculated income tax using the flat rate at 29.84% on net profit for the accounting periods beginning on January 1, 2018.

## 20. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTION

Bank overdrafts and short-term loans from financial institution as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank overdrafts	43,039	60,157	25,501	30,517
Promissory notes	177,000	164,000	110,000	54,000
Total bank overdrafts and short-term loans from financial institutions	220,039	224,157	135,501	84,517

As at December 31, 2021 and 2020 the Group has short-term loans from financial institutions as follows:

	Credit line (Million Baht)				Interest Rate (Percent per annum)
	Consolidated financial statements		Separate financial statements		
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
Bank overdrafts	137	137	41	41	MOR, MOR+1, Fixed Deposit+1.5 and Fixed rate 15
Promissory notes	303	203	110	60	MOR-1, MLR-0.5, MLR and Fixed rate 2
Total	440	340	151	101	

On December 18, 2020, the Company and a subsidiary, Zeer Property Plc., have entered into promissory notes credit facilities with a financial institution for working capital in business operations totaling Baht 50 million and Baht 50 million, respectively, the interest rate at MOR-0.5% per annum to MOR per annum.

The Group's bank overdrafts and short-term loans from financial institutions are guaranteed by:

- Fixed deposits at financial institutions. (Note 12).
- Mortgage of certain land with building of the Cha-am Project, and other of the Group's land with building. (Note 15).
- Certain leasehold rights over land from a related company along with Apartment Project and building of Zeer Rangsit. (Note 14, 15 and 17).
- Certain directors of the Group and those of a related company.
- Joint guaranties among certain companies within the Group.

## 21. OTHER CURRENT PAYABLES

Other current payables as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Advances from directors	2,143	4,017	-	-
Accrued expenses	32,352	57,510	4,419	4,947
Unearned revenue	7,912	5,848	2,357	2,010
VAT payable and undue output tax	2,519	3,798	125	202
Retention	12,566	13,570	1,438	1,122
Others	10,815	10,217	284	224
<b>Total other current payables</b>	<b>68,307</b>	<b>94,960</b>	<b>8,623</b>	<b>8,505</b>

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

Long-term loans from financial institution - net as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Long-term loans from banks	2,211,588	2,185,645	542,129	531,001
<u>Less</u> current portion of long-term loans from financial institutions	(353,623)	(194,241)	(60,000)	(44,000)
<b>Total long-term loans - net</b>	<b>1,857,965</b>	<b>1,991,404</b>	<b>482,129</b>	<b>487,001</b>

At as December 31, 2021 and 2020, the Group has long-term loans facilities from two domestic financial institutions and from one overseas financial institution as follows:

Currency	Unit: Million				Interest rate in agreement (Percent per annum)
	Credit line				
	Consolidated financial statements		Separate financial statements		
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	
Baht	3,851.00	3,851.00	1,470.00	1,470.00	MLR-2.125 to MLR-0.125
USD	3.80	3.92	-	-	LIBOR (1 month)+2.15

In April May and November 2021, the Group entered the addendum agreements with the financial institutions to amend the repayment terms of the long-term loan facility agreements and reduce interest rates as follows:

Companies	Credit line (Million Baht)	Moratorium the principal (Months)	Complete the principal repayment within
Asia Hotel Plc.	1,350	9	November 2029
Asia Hotel Plc.	120	6	March 2031
Asia Pattaya Hotel Co., Ltd.	220	9	January 2025
Asia Airport Hotel Co., Ltd.	150	9	January 2025
Zeer Property Plc.	950	4*	October 2028
Zeer Property Plc.	150	4*	June 2026
Zeer Property Plc.	140	4	February 2023
Zeer Property Plc.	80	4	July 2028
Zeer Property Plc.	280	9	June 2030
Zeer Property Plc.	200	*	December 2022
Zeer Property Plc.	50	9	July 2023
Spa Hotel Co., Ltd.	161	10*	October 2036

\*The four credit lines of long-term loans, totaling Baht 1,461 million have details of the amended repayment terms as follow:

- Credit line of Baht 950 million: to change installments repayment amount and to extend the end of principal repayment term from April 2027 to October 2028.
- Credit line of Baht 150 million: to change installments repayment amount and to extend the end of principal repayment term from December 2024 to June 2026.
- Credit line of Baht 200 million: to extend the end of principal repayment term from September 2021 to December 2022.
- Credit line of Baht 161 million: to change installments repayment amount and to extend the end of principal repayment term from January 2031 to October 2036.



Companies	Credit line (Million Baht)	Old interest rate (Percent per annum)	New interest rate (Percent per annum)	Periods
Asia Hotel Plc.	1,350	MLR-0.125	MLR-1.375	April 1, 2021 to December 31, 2021
Asia Pattaya Hotel Co., Ltd.	220	MLR-0.125	MLR-1.375	April 1, 2021 to December 31, 2021
Asia Airport Hotel Co., Ltd.	150	MLR-0.125	MLR-1.375	April 1, 2021 to December 31, 2021
Zeer Property Plc.	50	MLR-0.25	MLR-1.375	April 1, 2021 to December 31, 2021
Zeer Property Plc.	950	MLR-0.5	MLR-1.25	September 1, 2021 to August 31, 2023
			MLR-0.5	September 1, 2023 onwards
Zeer Property Plc.	150	MLR-1	MLR-1.25	September 1, 2021 to August 31, 2023
			MLR-1	September 1, 2023 onwards
Zeer Property Plc.	140	MLR-0.5	MLR-1.25	September 1, 2021 onwards
Zeer Property Plc.	80	MLR-1	MLR-1.25	September 1, 2021 to August 31, 2023
			MLR-1	September 1, 2023 onwards
Spa Hotel Co., Ltd.	161	MLR-1	Fixed rate 3.5	January 1, 2022 to December 31, 2023
			MLR-1.5	January 1, 2024 to January 14, 2025
			MLR-1	January 15, 2025 to December 31, 2026
			MLR-0.5	January 1, 2027 to December 31, 2031
			MLR	January 1, 2032 onwards

Long-term loans from the financial institution are guaranteed by:

- Mortgage of land with building of the Cha-am Project, and other of the Group's land with building. (Note 15).
- Certain leasehold rights over land from a related company along with Apartment Project and building of Zeer Rangsit and Zeer 2 Project. (Note 14, 15 and 17)
- Certain directors of the Group and those of a related company.
- Joint guaranties among certain companies within the Group.

The long-term loan from the overseas financial institution is guaranteed by land and buildings of the Glendale & Glenhurst Project and by certain directors of the subsidiary.

The Group must comply with material terms of the long-term loan agreement, including maintain a certain Debt to Equity ratio (D/E) and Debt Service Coverage ratio (DSCR).

### 23. LEASES LIABILITIES - NET

Leases liabilities – net as at December 31, 2021 and 2020 consisted of:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Leases liabilities	410,807	446,031	11,704	12,136
<u>Less</u> Deferred interest expenses	(181,380)	(192,864)	(2,226)	(2,604)
<b>Present value of lease liabilities</b>	<b>229,427</b>	<b>253,167</b>	<b>9,478</b>	<b>9,532</b>
<u>Less</u> Current portion of lease liabilities	(7,969)	(24,660)	(950)	(973)
<b>Lease liabilities - net</b>	<b>221,458</b>	<b>228,507</b>	<b>8,528</b>	<b>8,559</b>

### Information about leases

The Company entered into rental agreement with the Bureau of Crown Property; term of agreement is 20 years end on March 2032.

The subsidiary – Zeer Property Plc. entered into rental agreement with Don Mueng Grand Plaza Co., Ltd.; term of agreement is 55 years end on March 2048.

The subsidiary – Spa Hotel Co., Ltd. entered into a land rental agreement with third parties; term of agreement is 15 years end on December 2034.

The Group entered into lease agreements with a financial institution for vehicles; term of agreements are 3 and 4 years end on November 2020 and April 2023, respectively.

## 24. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFIT

Movements of the present value of non-current provisions for employee benefit for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Thousand Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Non-current provisions for</b>				
<b>employee benefit at beginning of year</b>	126,993	114,185	63,444	58,441
Included in profit or loss:				
Current service cost	13,403	12,304	5,235	5,170
Interest cost	2,720	2,511	1,329	1,299
Benefit paid during the year	(9,995)	(2,007)	(3,661)	(1,466)
<b>Non-current provisions for</b>				
<b>employee benefit at end of year</b>	<b>133,121</b>	<b>126,993</b>	<b>66,347</b>	<b>63,444</b>

Employee benefit expenses in profit or loss for the years ended December 31, 2021 and 2020, are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2021	2020	2021	2020
Cost of sales	8,950	7,451	3,619	3,089
Distribution costs	945	913	-	-
Administrative expenses	6,219	6,451	2,945	3,380
<b>Total employee benefit expenses</b>	<b>16,114</b>	<b>14,815</b>	<b>6,564</b>	<b>6,469</b>

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 from the Office of Insurance Commission.

The actuarial assumption of resignation rate is estimated based on historical data based on employee age ranges.

Principal actuarial assumptions as at December 31, 2021 and 2020 (represented by the weighted-average) are as follows:

	(Percentage (%)/annum)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	2.20-2.37%	2.20-2.37%	2.25%	2.25%
Salary rate increases in the future	4-5%	4-5%	4.5%	4.5%
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017
Turnover rate				
Monthly employees				
Under 31 years old	22-38%	22-38%	26%	26%
31 - 40 years old	14-23%	14-23%	17%	17%
41 - 50 years old	9-18%	9-18%	9%	9%
51 - 55 years old	6-10%	6-10%	6%	6%
Above 55 years old	0%	0%	0%	0%
Daily employees				
Under 31 years old	36-48%	36-48%	46%	46%
31 - 40 years old	36-48%	36-48%	41%	41%
41 - 50 years old	23-36%	23-36%	36%	36%
51 - 55 years old	15-29%	15-29%	29%	29%
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 December 31, 2021 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	(5,923)	6,687	(2,718)	3,080
Salary rate increases in the future	10,380	(9,344)	4,840	(4,352)
Turnover rate	(6,420)	3,615	(2,923)	1,700

## 25. GUARANTEE FOR RENTAL

Guarantee for rental as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Asia Hotel Plc.	10,822	11,848	10,822	11,848
Asia Airport Hotel Co., Ltd.	703	703	-	-
Asia Pattaya Hotel Co., Ltd.	168	168	-	-
Zeer Property Plc.	122,278	128,869	-	-
<b>Total</b>	<b>133,971</b>	<b>141,588</b>	<b>10,822</b>	<b>11,848</b>

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

## 26. DEFERRED REVENUE – LEASEHOLD RIGHTS ON LEASED AREA

Deferred revenue – leasehold rights on leased area as at December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht	
	Consolidated financial statements	
	December 31, 2021	December 31, 2020
Deferred income - leasehold rights on lease area	220,195	220,195
<u>Less Accumulated amortization</u>	<u>(213,699)</u>	<u>(207,711)</u>
Deferred income - leasehold rights on lease area - net	<u>6,496</u>	<u>12,484</u>
Deferred income is recognized as revenue as follow :		
Within 1 year	6,496	7,682
Over 1 year but not over 5 years	-	4,802
<b>Total</b>	<b><u>6,496</u></b>	<b><u>12,484</u></b>

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 and the agreement will end in 2022 – 2023.

## 27. DEFERRED REVENUE FROM GOVERNMENT GRANTS

Deferred revenue from government grants as at December 31, 2021 and 2020 are as follows:

Unit: Thousands Baht

	Consolidated financial statements		Separate financial statements	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred revenue from government grants	10,174	-	3,817	-
Less Accumulated amortization	(1,510)	-	(795)	-
Deferred revenue from government grants - net	8,664	-	3,022	-

## 28. 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.

## 29. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2021, the Group had the commitments and contingent liabilities, as follows:

29.1 Letters of guarantee issued by banks are as follows:

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

29.1.2 Subsidiary – Asia Pattaya Hotel Co., Ltd.: in the amount of Baht 1.30 million.

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

29.1.4 Subsidiary – Asia Airport Hotel Co., Ltd.: in the amount of Baht 0.52 million.

29.2 The Company guarantees liabilities of its two subsidiaries in the amount of Baht 1,679.50 million.

29.3 The subsidiary – Asia Pattaya Hotel Co., Ltd. guarantees liabilities of the Company and two subsidiaries in the amount of Baht 2,517 million.

29.4 The subsidiary - Asia Airport Hotel Co., Ltd. guaranteed liabilities of the Company and two subsidiaries in the amount of Baht 3,026 million.

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

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

29.7 As at December 31, 2021, the Group has future commitment are as follows:



**Commitments of the Company**

Construction contract of Hotel Facade Renovation Project.	0.03
Renovation contracts of furniture, restaurant Floor 3, restaurant Floor 3 installation system	4.21

**Commitments of the subsidiary - Zeer Property Plc.**

Construction contracts of Apartment Project, Zeer II Project and Zeer I Project.	23.74
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**Commitments of the subsidiary - Spa Hotel Co., Ltd.**

Construction contracts of hotel and shopping complex at Chiang Mai.	0.41
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**Commitments of the subsidiary - Zeer Asset Co., Ltd.**

Renovation contracts of furniture and bathroom, restaurant and lobby, restaurant and lobby electrical system.	0.34
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### 30. 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 Group by segment, for the year ended December 31, 2021 and 2020 are as follows:

	Unit: Thousand Baht											
	Domestics						Oversea				Total	
	Room		Food and beverage		Rental and services		Room		Rental and services			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Income from hotel business	86,814	182,172	50,606	124,688	-	-	74,357	57,857	-	-	211,777	364,717
Cost of hotel business												
Cost of hotel business	(100,692)	(123,558)	(66,776)	(111,342)	-	-	(61,003)	(55,493)	-	-	(228,471)	(290,393)
Depreciation - Revaluation surplus of assets	(14,736)	(14,187)	(3,920)	(3,738)	-	-	-	-	-	-	(18,656)	(17,925)
Income from rental and service	-	-	-	-	351,388	419,584	-	-	36,680	26,238	388,068	445,822
Cost of rental and service												
Cost of rental and service	-	-	-	-	(282,036)	(321,727)	-	-	(8,985)	(9,796)	(291,021)	(331,523)
Depreciation - Revaluation surplus of assets	-	-	-	-	(65,459)	(62,340)	-	-	-	-	(65,459)	(62,340)
<b>Gross profit (loss)</b>	<b>(28,614)</b>	<b>44,427</b>	<b>(20,090)</b>	<b>9,608</b>	<b>3,893</b>	<b>35,517</b>	<b>13,354</b>	<b>2,364</b>	<b>27,695</b>	<b>16,442</b>	<b>(3,762)</b>	<b>108,358</b>

	Unit: Thousand Baht											
	Domestics						Oversea				Total	
	Room		Food and beverage		Rental and services		Room		Rental and services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Others income											48,375	82,593
Distribution costs											(20,617)	(36,905)
Administrative expenses											(98,768)	(132,480)
Management benefit expenses											(3,324)	(5,798)
Directors' remuneration											-	(691)
Profit (Loss) from operating activities											(78,096)	15,077
Financial cost											(120,374)	(124,320)
Impairment loss determined in accordance with TFRS 9											(5,405)	(13,446)
Loss before income tax											(203,875)	(122,689)
Income tax (expense) revenue											(6,748)	394
<b>Net loss for the year</b>											(210,623)	(122,295)
<b>Loss attributable to</b>												
Equity holders of the parent											(209,093)	(120,704)
Non-controlling interests											(1,530)	(1,591)
											(210,623)	(122,295)

Segment information on geographic of the Group as at December 31, 2021 and 2020 were as follows:

	Unit: Thousands Baht					
	Domestics		Overseas		Total	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Investment properties - net	52,682	54,574	-	-	52,682	54,574
Property, plant and equipment - net	9,012,433	8,116,464	660,829	601,915	9,673,262	8,718,379
Right-of-use assets - net	420,868	439,499	-	-	420,868	439,499
Total assets	9,755,882	8,878,260	745,054	691,014	10,500,936	9,569,274

### 31. PROVIDENT FUND

On January 28, 2011, the Group 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 Group did not pay for employee's provident funds for the year ended December 31, 2021, due to the Ministry of Finance announcing an extension of the term for employees and employers affected by COVID-19 to temporarily suspend or postpone remittances.

The Group paid for employee's provident funds for the year ended December 31, 2020 in amount of Baht 1.86 million in consolidated financial statements and Baht 0.89 million in separate financial statements.

### 32. OTHER INCOME

Other income for the years ended December 31, 2021 and 2020 are as follows:

	Unit : Thousands Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Health club and car parking	3,001	3,578	2,985	3,492
Rental, service and electricity	27,287	44,051	22,172	38,072
Gain on exchange rate	-	307	-	287
Gain from sale of assets	6	21	6	14
Gain on compensation from insurance claim	387	791	-	-
Guarantee for rental	-	16,534	-	-
Others	17,694	17,311	2,896	6,299
Total	48,375	82,593	28,059	48,164

### 33. EXPENSES BY NATURE

Significant expenses analyzed by nature for the years ended December 31, 2021 and 2020 are as follows:

	Unit: Thousands Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Salaries, wages and other benefits for employee	183,526	228,053	47,416	69,742
Depreciation	184,048	214,140	25,055	37,305
Depreciation - Revaluation surplus	84,115	87,194	7,130	7,130
Change in inventories	638	2,355	340	1,072
Electricity and water	137,359	156,046	16,657	21,159
Cost of foods and beverage	24,039	49,377	12,376	24,239
Repair and maintenance	18,802	29,540	2,507	4,463
Advertising and sale promotion	5,934	15,239	619	3,108
Property tax	10,461	13,282	381	370

### 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 Group in the current reporting period and in future years, and the Group 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 Group. However, there is no significant concentration of credit risk for the Group. If the other parties fail to perform their contracts, the Group provides as allowance for expected credit loss 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 expected credit loss, represents the Group's maximum exposure to credit risk.

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

The Group uses the market approach to measure assets and liabilities that are required to be measured at fair value according to relevant financial reporting standards. The cost approach or income approach, however, is used when there is no active market or when a quoted market price is not available.

The fair value of financial instruments is estimated according to the following criteria:

- The fair value of investment in non-marketable equity instruments, as presented in investments in other company – net account, has been determined based on the financial position of the invested company and their operating performance, among other factors. As a result, the conclusion that the cost of investment is appropriately categorised as Fair Value - Level 3 has been determined using unobservable inputs.

During the current year, there was no transfer within the fair value hierarchy.

### **Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

## **38. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements have been approved by the Company's board of directors on February 25, 2022.

Details of Directors, Management, Company Secretary and CFO as of December 31, 2021

Attachment 1

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years
1. Mr.Piyawudh Senapoopitaksa Chairman (Independent Director) Audit Committee Member Nomination and Remuneration Committee Member Age 93 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. 1968 - Present Director, Asia Hotel Public Company Limited .
<b>Current position in other organization in previous year</b> Director - Parent Company Advisor - subsidiary company				1988 - Present Director, A.B.K. Enterprise Co.,Ltd Aug.2013 - Present Advisor to MD, Asia Airport Hotel Co.,Ltd. Aug.2013 - Present Advisor to MD, Asia Pattaya Hotel Co.,Ltd.
2. Mr.Surapol Techaruvichit Authorized Director Executive Director Chief Executive Officer As director since 8 April , 2021 Age 65 years.	MBA, San Francisco University, U.S.. Bachelor Degree in Economics Chulalongkorn University	15,808,330 (4.94%) Mr.Surapol = 14,735,000 shares Spouse=1,073,330	Son of Mrs.Suvimol Older brother of Mr.Surapong Mrs.Pornpun and Mrs.Oyetip Father of Mr. Polpat Techaruvichit	Apr.8, 2021 - Present Director , Asia Hotel Public Company Limited. Dec. 2020 - Present Director , Asia Pattaya Hotel Co.,Ltd. Dec. 2020 - Present Director , Asia Airport Hotel Co.,Ltd. Nov. 2020 - Present CEO, Asia Hotel Public Company Limited 1990 - Present Managing Director, Zeer Property Public Co.,Ltd.
<b>Current position in other organization in previous year</b> Director - parent company and related company				2016 - Present Director, Spa Hotel Co., Ltd. 2014 - Present Managing Director, A.B.K. Enterprise Co.,Ltd. 2014 - Present Managing Director, Pattaya Hotel Trading Co., Ltd. 2010 - Present Director, CTC Hainan Aviation and Tourism Co., Ltd. 1989 - Present Director, Pamatoy Co., Ltd.
3. Mr.Surapong Techaruvichit Authorized Director Executive Director Managing Director Appointed on 18 February, 2014 Age 63 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 Younger brother of Mr.Surapol Techaruvichit Elder brother of Mrs.Pornpun and Mrs.Oyetip Father of Miss Patcha Techaruvichit	Apr.2021 - Present Director, Zeer Property Public Company Limited Feb. 2014 - Present Managing Director, Asia Hotel Public Company Limited Managing Director , Asia Pattaya Hotel Co.,Ltd. Managing Director , Asia Airport Hotel Co.,Ltd. 1992 - Present Director, Asia Airport Hotel Co., Ltd . 1984 - Present Director, Asia Hotel Public Company Limited 1983 - Present Director , Asia Pattaya Hotel Co.,Ltd.
<b>Current position in other organization in previous year</b> Advisor - Travel Advisory Director - parent company and related company				2017 - Present Board Member, National Tourism Policy Board, Ministry of Tourism & Sports 2016 - Present Board Member, Poh Teck Tung Foundation 2010 - Present Director, CTC Hainan Aviation and Tourism Co., Ltd. 2003 - Present Vice President, Thailand Hotel Standard Foundation 1989 - Present Director, Pamatoy Co., Ltd. 1988 - Present Director, A.B.K. Enterprise Co.,Ltd.

**Details of Directors, Management, Company Secretary and CFO as of December 31, 2021 (Continued)**

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	
4. Mrs.Pornpun Tanariyakul Authorized Director Executive Director Deputy Managing Director As director since year 2000 Age 62 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	Daughter of Mrs.Suvimol Techaruvichit Younger sister of Mr.Surapol, Mr. Surapong Techaruvichit and elder sister of Mrs.Oyetip Hayrabut	Feb.2014 - Present  April.2000 - Present 1992 -Feb.2014 1988 - Feb.2014	Deputy Managing Director , ASIA Hotel Public Company Limited Deputy Managing Director , Asia Pattaya Hotel Co., Ltd. Deputy Managing Director , Asia Airport Hotel Co., Ltd. Director and Executive Director , ASIA Hotel Public Company Limited Asst. Managing Director,Asia Airport Hotel Co., Ltd. Asst. Managing Director, Asia Pattaya Hotel Co., Ltd.
<b>Current position in other organization in previous year</b>					
Director - company				1988 - Present 2003 - Present 2014 - Present	Director, A.B.K. Enterprise Co.,Ltd. Managing Director , Pamatoy Co., Ltd. Director, Namseng Insurance Public Company Limited.
5. Mrs.Suvimol Techaruvichit Director Age 89 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.Surapol- Mr. Surapong Techaruvichit, Mrs.Pornpun Tanariyakul and Mrs.Oyetip Hayrabut	1992- Present 1972 - Present 1966 - Present	Director, Asia Airport Hotel Co.,Ltd. Director, Asia Pattaya Hotel Co.,Ltd. Director, Asia Hotel Public Company Limited
<b>Current position in other organization in previous year</b>					
Director - company				1989 - Present 1988 - Present	Chairman, Pamatoy Co.,Ltd. Director, A.B.K. Enterprise Co.,Ltd.
6. Mr.Sombut Pupipathirunkul Director (Independent Director) Audit Committee Member and Nomination and Remuneration Committee Chairman Age 82 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 May 1999- Present 1989 - Present	Nomination and Remuneration Committee Chairman, ASIA Audit Committee Member, Asia Hotel Public Company Limited. Director, Asia Hotel Public Company Limited .
<b>Current position in other organization in previous year</b>					
Director - Company Advisor - subsidiary company				1996 - Present Aug.2013 - Present	Director, A.B.K. Enterprise Co.,Ltd Advisor to MD., Asia Airport Hotel Co.,Ltd.

Details of Directors, Management, Company Secretary and CFO as of December 31, 2021 (Continued)

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	
7. Mr.Suwat Dusitrojawanongse - Director (Independent Director) Audit Committee Chairman - Nomination and Remuneration Committee Member Age 76 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 May 2008 - Present 1989 - Present	Nomination and Remuneration Committee Member, ASIA Audit Committee Chairman, Asia Hotel Public Company Limited. Director, Asia Hotel Public Company Limited .
<b>Current position in other organization in previous year</b> Director - Company Advisor - subsidiary company				Feb 2009 - Present 1983 - Present Aug.2013 - Present	Director, A.B.K. Enterprise Co.,Ltd. Managing Director, Thepdusit Co., Ltd. Advisor to MD., Asia Airport Hotel Co.,Ltd.
8. Dr. Chotima Puasiri Independent Director and Audit Committee Member Age 43 years. As director since year 2008.	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	60 (0.00%)	-none-	May. 2011 - Present May. 2010 - Present Aug. 2008 - Present	Audit Committee Member, Asia Hotel Public Company Limited. Independent Director , Asia Hotel Public Company Limited. Director, Asia Hotel Public Company Limited.
<b>Current position in other organization in previous year</b> Director - Company				2009 - Present 2008 - Present	Director, N.S.B. Co., Ltd. Manager, Non-Motor Dep., Nam Seng Insurance Public Company Limited.
9. Mrs. Oyetip Hayrabut Authorized Director Deputy Managing Director, Executive Director Age 59 yers. As director since Apr 23, 2018	Bachelor Degree in Accounting Chulalongkorn University, MBA, Sul Ross States University, U.S.A. Certificate of Attendance ๑๗๓ IOD DCP รุ่น 278/2019	2,040,660 (0.64%)	Dauther of Mrs.Suvimol Younger Sister of Mr. Surapong and Mrs. Pornpun	Dec 2020 - Present Dec 2020 - Present Apr 2018 - Present 2014 -May 2018 2011 - Present	Director, Asia Pattaya Hotel Co., Ltd. Director, Asia Airport Hotel Co., Ltd. Director, Asia Hotel Public Company Limited Deputy to Managing Director, Asia Hotel Public Company Limited General Manager, Asia Hotel Public Company Limited
<b>Current position in other organization in previous year</b> Director - company				1996 - Present 1989 - Present	Director, A.B.K. Enterprise Co., Ltd. Director, Pamatoy. Enterprise Co., Ltd.





**Details of Directors, Management, Company Secretary and CFO as of December 31, 2021 (Continued)**

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years	
12. Mrs. Ruchukorn Siriyodhin - Director (Independent Director) Age 63 years As director since Nov 13, 2020	Bachelor Degree in Economics Chulalongkorn University Master Degree in Economics Thammasart University Advance Management Program (AMP), Harward University National Defence College of Thailand class 24 Capital Market Academy Program (CMA 16) Executive Program on Justice Administration class 12 DCP no.142/2011, RCL no.20/2020 from IOD	-none-	-none-	Nov.2020 - Present Nov.2020 - Present 2019 - Present 2019 - Present 2019 - 2020 2016 - 2018	Independent Director, Asia Hotel Public Co., Ltd. Director, Office of Insurance Commission Director, Board of Bank for Agriculture and Agricultural Cooperatives Director, Board of Botanical Garden Organisation Her Majesty Queen Sirikit Director, Transport Company Limited Deputy Governor, Financial Institution Stability, Bank of Thailand
<b>Current position in other organization in previous year -none-</b>					
13. General Chanchai Yossundara - Director (Independent Director) Age 66 yers. As director since April 8, 2021	Master of Public Administration, Rajaphak Institue Army War Collage, Class 48 Bachelor of Science, Chulachomklao Royal Military Academy	-none-	-none-	8 Apr.2021 - Present 2019 - Present 2016 - Present 2017 - 2019	Independent Director, Asia Hotel Public Co., Ltd. Secretary General of the Fencing Sports Association of Thailand Member of the Basic Education Institution, Suankularb Wittayalai School Vice President, Thailand Fcncing Federation
<b>Current position in other organization in previous year -none-</b>					
14. Mr.Kriengsak Jumaree Hotel Manager Age 58 years	Bachelor of Political Science Ramkhamhaeng University	-	-none-	Dec. 2011-Present Aug 2011 - Oct. 2011 Oct. 2010- July 2011	Hotel Manager, Asia Hotel Public Company Limited General Manager, KOSA Hotel, Khon Kaen General Manager, V-ONE Hotel, Nakornchasi
<b>Current position in other organization in previous year -none-</b>					
15. Miss Sudaratana Wisnuwatanakit Company Secretary Age 63 years	Bachelor Degree in Economics, Chulalongkorn University MBA., Kasetsart University CSDP no. 15/2550 , BRP 4/2010, EMT 18/2010	2,512,600 (0.79%)	-none-	May 2011- Present 2011 - Present 2011 - Present	Company Secretary, Asia Hotel Public Company Limited Secretary to the Board, Asia Pattaya Hotel Company Limited. Secretary to the Board , Asia Airport Hotel Company Limited .
<b>Current position in other organization in previous year -none-</b>					

**Details of Directors, Management, Company Secretary and CFO as of December 31, 2021 (Continued)**

Name	Educational Background	No. of Shares Held	Family Relationship	Experience for the past 5 years
16. Miss Somsri Tangtatpongsathorn Financial & Accounting Manager Age 53 years	Bachelor Degree in Accounting, Bangkok University	-	-none-	Jul 2005 - Present      Financial & Accounting Manager , Asia Hotel Public Company Limited
<b>Current position in other organization in previous year</b> -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

FBG = Family Business Governance

EMT = Effective Minute Taking from IOD

RCL = Risk Management Program for Corporate Leaders

BRP = Board Report Program from IOD

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

Company Name Name of Directors		ASIA	Subsidiaries		
			AP	AA	ZP
1. Mr. Piyawudh	Senapoopitaksa	X			
2. Mr. Surapol	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. Mrs. Ruchukorn	Siriyodhin	/			
13. Gen. Chanchai	Yossundara	/			
14. Pol.Maj.Gen Supchan	Mnutham				X
15. Mr. Tosapol	Vachiradaecha				/, //
16. AM Choomsak	Sakulratana				/
17. Gen. Tawatchai	Boonsri				/
18. Mr. Anant	Gatepithaya				/
19. Mr. Somboon	Fusriboon				/
20. Mr. Grish	Attagrish				/
21. Mr. Surayuth	Panchavinin				/
22. Mr. Chanin	Pupipathirunkul				/
23. Mr. Soratat	Dusitrojanawongse				/
24. Mr. Surapak	Senapoopitaksa				/
25. Miss Sirapat	Techaruvichit				/

**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             | 62 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<br><br><table border="0" style="margin-left: 40px;"> <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-**

## Business Asset Structure

### *1. Assets that use for the company and subsidiaries business on 31 December 2021.*

<b>Assets</b>	<b>Rights</b>	<b>Valued (Million Baht)</b>	<b>Obligation (noted 1)</b>
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.	3,001.57	1,790.00
2. 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.	12.63	-
3. 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.	1,562.52	660.00
4. 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 18 years 3 months in contract)	332.72	150.00
5. 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 2019 to 31 October 2022.	-NONE-	15.00
6. 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 Don Muang Grand Plaza Co., Ltd. (DM) do contract for 55 years since 1 April 1993 to 31 March 2048 (currently 28 years 3 months in contract)	3,289.30	1,590.00 As financial institute Mortgage
7. 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	324.52	220.00 As financial institute Mortgage
(2) Land and commercial building at Ruamjit Rd.	Zeer Property Public Co., Ltd. is a titleholder	19.95	-

<b>Assets</b>	<b>Rights</b>	<b>Valued (Million Baht)</b>	<b>Obligation (noted 1)</b>
8. 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	364.33	206.00 As financial institute Mortgage
9. 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 Hotel "</i>	Zeer Assets Co., Ltd. is a titleholder	81.90	
10. Glendale Shopping Center, Los Angeles, USA <i>Managing "Shop for rent 10 units"</i>	Zeer Oversea LLC is a titleholder	243.01	-
11. 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 - Signal Hill"</i>	Zeer Oversea LLC is a titleholder	462.25	
12. Machinery and equipment	ASIA Owner	32.92	-
13. Decorations and installments	ASIA Owner	160.73	-
14. Furniture and decorations	ASIA Owner	4.05	-
15. Hotel and restaurant supply	ASIA Owner	7.15	-
16. Office supply	ASIA Owner	9.10	-
17. Vehicle	ASIA Owner	7.15	1.39

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

### ***Subsidiaries and joint company investment policy***

On 31 December 2021, 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 10.86% of total asset.



## Attachment 4

### 2. Asset Evaluation

In 2021, the Company and its subsidiaries revalue assets during the accounting period.

#### Details about the property appraisal list

Appraised Assets	Appraised by	Controller	Objective	Date of Appraisal
<p>Asia Hotel, Ratchatewi, Bangkok Number of guest room service 594 rooms on 5 Rai 3 Ngan and 34 Wah plot Located on 296,294/1 and 300/9, Phaya Thai Road, Thanon Phetchaburi, Ratchathewi, Bangkok divided to;</p> <p><u>Group 1</u> Hotel Building deed no. 1797,2379,3131,4200 and 12346 totally 5 deeds It is a 16-floor hotel building and a 3 floors office building.</p> <p><u>Group 2</u> Parking lot on deed no. 1799 This is a 12-floor building, which are parking and office. The appraised market value is 3,104.22 million Baht.</p>	Advanced Appraisal Co. Ltd.	Miss Oraporn Seangngen	Public Propose	February 11, 2022
<p>Asia Pattaya Hotel, Bang Lamung, Chonburi Land, 7-floor hotel building and employee's dormitory building totally 7 plots, with area 44-0-15.8 Rai. Located on Pattaya, Bang Lamung, Chonburi. The appraised market value is 1,526.08 million Baht.</p>	Modern Property Consultant Co., Ltd.	Mr. Wasont Kongjun	Public Propose	April 22, 2021

## Other related information

### Corporate Governance Code ASIA HOTEL PUBLIC COMPANY LIMITED

The Board of Directors of Asia Hotel Public Company Limited has placed great emphasis on good corporate governance since 2004 and the rules and guidelines have been constantly improved. Subsequently, The Company has improved the Corporate Governance Policy (CG Code) that the Securities and Exchange Commission (SEC) in 2018 as a guideline for the Board of Directors which is the leader or the most responsible person of the organization to apply in the corporate governance to be reliable for shareholders and all groups of stakeholders. Therefore, as the benefit of creating sustainable value for the business in December 2019, the company has resolved to completely revise this supervision principle and to start using it from 13 December 2019 onwards.

Therefore, the principles of corporate governance of the company Consisting of principles and best practices divide into 5 categories including:-

- 1. Rights of shareholders:** Shareholders own the company, controlling it by appointing the board of directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes.
- 2. Equitable treatment of shareholders:** All shareholders, including those with management positions, non-executive shareholders and foreign shareholders should be treated fairly and equally. Minority shareholders whose rights have been violated should be redressed.
- 3. Role of stakeholders:** stakeholders of a company should be treated fairly in accordance with their legal rights. The board of directors should provide mechanisms to promote cooperation between the company and its stakeholders in order to create wealth, financial stability and sustainability of the firm.
- 4. Disclosure and Transparency:** The board of directors should ensure that all important information relevant to the company, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and transparently through easy-to-access channels that are fair and trustworthy.
- 5. Responsibilities of the Board:** The board of directors plays an important role in corporate governance for the best interests of the company. The board is accountable to shareholders and independent of management with 8 principles of CG-Code that the Board of Directors must adhere to as follows:

The Board of Directors has 8 principles of CG-Code:

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

The Board of Directors is aware of the roles, duties, and responsibilities as leaders who must supervise the organization to have good management by defining the objectives and goals of the organization, setting strategies and operating policies accordingly as well as allocating important resources to achieve the objectives and goals laid down including monitoring the performance regularly.

To achieve sustainable value creation, the board should exercise its leadership role and pursue the following governance outcomes such as the competitiveness and performance with a long-term perspective, the ethical and responsible business, the good corporate citizenship and corporate resilience.

In addition, all directors and executives must perform their duties with duty of care and duty of loyalty and ensure that the operations are in accordance with laws, regulations and resolutions of the shareholders' meeting as well as policy or the guidelines, understanding the scope of duties and responsibilities of the Board of Directors and clearly define the scope of assignments, duties and responsibilities for the Managing Director and the management to monitor and ensure that the Managing Director and the Management perform the duties as assigned.

#### **Guidelines in Practice**

1.1 In evaluating the performance of the company, the board should not just consider the company's financial results but also take into account non-financial performance such as its ethical performance and impact on stakeholders, society and the environment.

1.2 The board assume a leadership role in creating and driving a culture of compliance and ethical conduct throughout the company, and lead by example.

1.3 The board ensure the creation of written policies and guidelines, such as a corporate governance policy, codes of ethics, and business conduct, applicable to all directors, executives, employees and staff of the company.

1.4 The board ensure effective implementation including regular communication of the company's policies and guidelines to all directors, executives, employees, and staff. The board ensures adequate mechanisms are in place for monitoring, reviewing and reporting compliance with the company's policies and guidelines annually.

## **Principle 2: Define objectives that Promote Sustainable Value Creation**

The board will define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company, customer, stakeholder, and social as well. The board ensures the company's objectives, goal, strategies, and plans are consistent with long-term objectives while utilizing innovation and technology effectively.

### **Guidelines in Practice**

2.1 The board will ensure that the company has clearly defined objectives that support the company's business model. The board should ensure company-wide communication of the objectives, for instance, in the form of the company's vision and value creation.

2.2 When developing the business model for sustainable value creation, the board should take into consideration the following factors: the company's ecosystem, including changes to business conditions and opportunities, and the company's effective use of innovation and technology, the need of customers and other stakeholders; and available resources and competitiveness of the company.

2.3 The company's values reflect characteristics of good corporate governance, accountability, integrity, transparency, and due consideration of social and environmental responsibilities. The board promote a good corporate governance culture and strive to have the company's objectives embedded in company-wide decision-making and conduct through effective communication.

2.4 The board will ensure that the company's strategies and plans take into account all relevant factors influencing the value chain, including the company's ecosystem, risks, resources, competitiveness, and stakeholders. The board should ensure that a mechanism for stakeholder engagement is in place that all groups and can be analyzed to get results.

2.5 The board will promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities.

2.6 The board will consider the company's targets (financial and non-financial), the board has to ensure that they are suitable to the company's business target, and they do not cause the company to engage in illegal or unethical conduct.

## **Principle 3: Strengthen Board Effectiveness**

The board understand in leadership role and governance of the company, to determining and reviewing the board structure for hotel business and real estate business, ensure that the board consists of directors with appropriate and the necessary qualifications, knowledge skills, experience, character traits, with an appropriate gender and age balance and the proportion of executive directors and independent directors so as to ensure its leadership role in achieving the company's objective.

The Company has the selection policy to appoint independent director as chairman of the board and ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board. The Board appoint relevant committees to review specific matters, to screen information, and to recommend action for board approval; however, the board remains accountable for all decisions and actions.

When proposing director remuneration to the shareholders' meeting for approval, the board will consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.

The board conducts an annual performance evaluation of the board, its committees, and each individual director. The evaluation results should be used to strengthen the effectiveness of the board. The board will ensure that the board and each and individual director understand their roles and responsibilities, the nature of the business, the company's operations, relevant law and standards, and other applicable obligations. The board support all directors in updating and refreshing their skills. The board ensures that it can perform its duties effectively and have access to accurate, relevant and timely information. The board appoint a company secretary with necessary qualifications, knowledge, skills and experience to support the board in performing its duties.

### **Guidelines in Practice**

3.1 The board consider the board structure and ensure that the proportion of non-executive directors including independent directors more than the number of executive directors in order to inspect and balances in operating in the company.

3.2 The board establish a nomination and remuneration committee with all members and the chairman being independent directors. The nomination and remuneration committee is responsible for setting the nomination criteria and process of director and remuneration that are consistent with the company's strategies and long-term objectives and reflects the experience, obligations, scope of work, accountability, responsibilities of each director by comparable to industry practice that the board proposes to approval from the shareholder meeting.

3.3 The board set the criteria of the number of director positions directors can hold simultaneously in other companies and consider the effectiveness of directors who hold multiple board seats. The number of companies of which a person can simultaneously be a director should be appropriate to the natures and types of businesses involved but should not exceed five listed companies and report to public disclosure of directors assuming or holding positions at other companies.

3.4 The board, the committee's and individual directors' performance evaluation should be conducted at least once a year to facilitate consideration and improvement of the board's performance and effectiveness and resolution of any problems. The assessment criteria and process for the board's, committees' and directors' performance should be systematically set in advance.

3.5 The board will ensure that directors regularly receive sufficient and continuous training and knowledge development.

3.6 The board's meeting schedule and agenda will be set in advance and each director should receive sufficient notice to ensure attendance. There are monthly of the board meeting should be appropriate to the obligations and responsibilities of the board nature of the business at least 12 times per financial year. If there are emergency case, it will arrange extra meeting. Meeting documents should be sent to each director at least five business days before the meeting.

3.7 The board encourage the chief executive officer to invite key executives to attend board meeting to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key executives and assist succession planning.

3.8 Non-executive directors are able to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to the company's chief executive officer.

#### **Principle 4: Ensure Effective CEO and People Management**

The Board will ensure that there are a nomination and development of the Managing Director and high-level executives to have knowledge, skills, experience, and characteristics necessary to drive the organization towards the goal. The board supervises to determine the compensation structure and appropriate evaluation by understanding the structure and relationship of shareholders that may affect the management and operation of the business. Including monitoring the administration and development of personnel to have the appropriate amount of knowledge, skills, experience, and motivation.

##### **Guidelines in Practice**

4.1 The board has assigned the Nomination and Remuneration Committee to establish the criteria and procedures for nomination and appointment of the chief executive officer and high-level executives. In order to business continuity, the board ensures that development and succession plans for the chief executive officer and key executives are in place. The board promotes the continuous development and education of the chief executive officer and key executives that are relevant to their roles.

4.2 The board has assigned the Nomination and Remuneration Committee to determine the appropriate compensation structure and evaluation. Determine the compensation that is an incentive for the Managing Director, high executive, and all levels worker in accordance with the objectives and main goals of the organization and the interests of the business in the long term and the economic environment factors close to the same industry.

4.3 The board ensure that the company is properly staffed, and that human resources management aligns with the company's objectives and furthers sustainable value creation. All employees and staff must receive fair treatment.

4.4 The board ensures that the company establishes a provident fund or Asia Hotel Savings and Credit Cooperative Limited to implement a training and development program for employees that promotes financial literacy, including on retirement savings, and educates employees and staff on life appropriate investment.

#### **Principle 5: Nurture Innovation and Responsible Business**

The board priorities and promote innovation that creates value for the company and its shareholders together with benefits for its customers, other stakeholders, society, and the environment, in support of sustainable growth of the company. The board will encourage management to adopt responsible operations, and incorporate them into the company's operations plan to ensure that every department and function in the company adopts the company's objective, and strategies, applying high ethical, environmental and social standards, and contributed to the sustainable growth of the company. The management allocates and manages resources efficiently and effectively throughout all aspects of the value chain to enable the company to meet its objectives.

The board will establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities, stimulated business opportunities and performance, strengthens risk management, and supports the company's objectives.

### Guidelines in Practice

5.1 The board priorities and promote a corporate culture that embraces innovation and ensure management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring.

5.2 The board nurture innovation that enhances long-term value creation for the business in the changing environment, improving operational processes and collaborating with partners.

5.3 The board ensures the company's operations reflect the company-wide implementation of high ethical, environmental and social standards to further the company's objectives and goals in support of sustainable value creation. Policies and procedures for running the business fairly and respecting and adhering to stakeholders' rights as follows:

- (1) Responsibilities to employees, and workers by considering fair treatment and respect for human rights, including a fair level of remuneration and other benefits, a level of welfare that is not less than the legal limit (but can be over the legal limit where appropriate), health care, and safety in the workplace, training support, potential development and promotion of advancement and giving chances to employees to develop other skills.
- (2) Responsibilities to customers by considering health, safety, fairness, customer information security, after-sales services, throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition advertising and public relations must be done responsibly, and these should not cause misunderstanding or encourage unwanted habits such as over-spending.
- (3) Responsibilities to business partners by having a fair procurement process and contract or agreement conditions, providing training, developing potential and enhancing production and service to meet standards and explaining and supervising business partners to respect human rights, and treat their workers fairly, including monitoring and assessing partners to have mutual sustainable businesses.
- (4) Responsibilities to the community by applying business knowledge and experience to develop projects that can concretely add value to the community. There should be a follow up on progress and success tracking in the long term.
- (5) Responsibilities to the environment by managing and ensuring that there is no negative impact on the environment, including raw material use, energy use (for production, transportation, or in the office), water use, renewable resources use, rehabilitating the diversity of biology, having an impact from running business, discharging and managing waste from running business, and greenhouse gas emissions.
- (6) Competing fairly by running the business transparently and not taking advantage of competitors.
- (7) Anti-fraud and corruption by ensuring that the company sets up and announces anti-fraud and corruption policies to the public. The company might work with its network and with other companies in anti-fraud and corruption. The company can also encourage business partners to be in the network.

5.4 The board ensures that management continuously reviews, adapts, and develops the company's use optimization of resources, considering internal and external factors to meet the company's objectives.

5.5 The board ensures that Innovation Technology security policies and procedures are in place.

### Principle 6: Strengthen Effective Risk Management and Internal control

The board will ensure that the company has effective and appropriate risk management and internal control systems that are aligned with the company's objectives, goals and strategies and comply with applicable law and standards under the audit committee that can act effectively and independently and an internal auditor or establish an independent internal audit function that is responsible for reviewing and improving the effectiveness of the risk management and internal control systems, and reporting review results to the audit committee.

The board will manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders and also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties. The board establish a clear anti-corruption policy and practices including communication and staff training and communicate its anti-corruption efforts to stakeholders and a procedure for handling complaints and whistleblowing.

### Guidelines in Practice

6.1 The board establish a risk management committee or assign responsibility to the Audit Committee to assist the board in its oversight functions related to the risk appetite of the company. The implementation of risk management policies that are consistent with the company's goals, objectives, strategies, prioritization of early warning signals of material risks and scope of the company's principal. The substantial risks are identified through consideration of internal and external factors that may be no success in the target.



6.2 The board regularly monitor the effectiveness of the company's risk management.

6.3 The board has to ensure and monitor that the company complies with relevant and applicable law and standards, whether domestic, international or foreign.

6.4 In assessing the effectiveness of the company's internal controls and risk management, the board should consider the result of internal controls and risk management at its subsidiaries and businesses in which it has a significant investment.

6.5 The board will establish an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market-sensitive information. The board should monitor the implementation of the information security policies and procedures and the adherence to confidentiality requirements by insiders, including directors, executives, employees and staff, and professional advisers, such as legal or financial advisers.

6.6 The board should ensure management and monitoring conflict of interest situations and transaction. The board should adopt ethics and conflicts of interest policy consistent with applicable law and standards (including fiduciary duties), and establish clear guidelines and procedures for disclosure and decision-making in the conflict of interest situations. For example, any party who has a vested interest in a particular transaction, should disclose that interest, and not be involved in the decision-making or voting on that agenda item.

6.7 The board ensure company-wide awareness and implementation of the company's anti-corruption policy and practices, and compliance with applicable law and standards. The board ensure that whistleblowers are protected from retaliation as a result of their good faith whistleblowing activities.

### **Principle 7: Ensure Disclosure and Financial Integrity**

The board ensures the integrity of the company's financial reporting system and that timely and accurate disclosure of all material information regarding the company is made consistent with applicable requirements. The board ensures that risks to the financial position of the company or financial difficulties are promptly identified, managed and mitigated and that the company's governance framework provides for the consideration of stakeholder rights. The board will monitor the company's financial liquidity and solvency in order to the confidence of finance and operation.

In addition to a financial report, the board discloses sustainability report such as reporting data on the company's compliance and ethical performance (including anti-corruption performance), its treatment of employees and other stakeholders (including fair treatment and respect for human rights), and social and environmental responsibilities.

The board ensures the establishment of a dedicated Investor Relations function responsible for regular, effective and fair communication with shareholders and other stakeholders such as analysts and potential investors.

#### **Guidelines in Practice**

7.1 The board ensure that any person (including chief financial officer, accountant, internal auditor, company secretary, Investors Relation officer) involved in the preparation and disclosure of any information of the company has relevant knowledge, skills and experience, and that sufficient resources, including staffing, are allocated.

7.2 When approving information disclosures, the board will consider all relevant factors, including for periodic financial disclosures:

- (1) The evaluation results of the adequacy, of the internal control system.
- (2) The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels.
- (3) The audit committee's opinions.
- (4) Consistency with objectives, strategies and policies.

7.3 The board will ensure that information disclosures (including financial statements, annual reports, and Form 56-1) reflect the company's financial status and performance accurately and fairly. The board promote the inclusion of the management Discussion and Analysis (MD&A).

7.4 If the business has financial problems. The board will ensure that the company has sound financial mitigation plans that consider stakeholder rights including creditor rights. The board should monitor management's handling of financial risk or difficulties and seek regularly report. The board ensures that any actions to improve the company's financial position are reasonable and made for a proper purpose.

7.5 The board establishes guidelines for communicating and disclosing information to stakeholders or third parties and designates a person responsible for providing information to them including the information generally disclosed and information that affects the price of securities or the image of the company which is correct information in time and equal.



## **Principle 8 : Ensure Engagement and Communication with shareholders**

The board knows that the shareholders have the opportunity to participate effectively in decision-making involving significant corporate matters and significant corporate decisions are considered and/ or approved by the shareholders pursuant to applicable legal requirements. Matters that require shareholder approval should be included in the agenda for shareholders' meeting and shareholders should be sufficient notice thereof. The board ensures that the shareholders' meeting is held as scheduled and conducted properly, with transparency and efficiency, and ensure inclusive and equitable treatment of all shareholders and their ability to exercise their rights. The board ensures accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings as well.

### **Guidelines in Practice**

8.1 The board support participation of all shareholders through reasonable measures, including:

- ( 1 ) Establishing criteria that allow minority shareholders to propose agenda items for shareholders' meetings. The board considers shareholders' proposals to be included in the agenda, and if the board rejects a proposal, the reasons should be given at the meeting.
- ( 2 ) Establishing criteria for minority shareholders to nominate persons to serve as directors of the company.

The board ensures that measures and criteria are established and promptly disclosed to ensure shareholder engagement and participation.

8.2 The board ensures that the notice of the shareholders' meeting (including the Annual General Meeting (AGM) is accurate, complete, and sufficiently in advance for the shareholders to exercise their rights.

8.3 The board ensures that the company arranges for the notice the shareholders' meeting and related papers to be sent to shareholders and posted on the company's website at least 28 days before the meeting.

8.4 shareholders be allowed to submit questions prior to the meeting. The board should therefore ensure that there are clear criteria and a process for shareholders to submit questions. The criteria should be posted on the company's website.

8.5 The notice of the shareholders' meeting and related papers should be fully translated into English and published at the Thai version.

8.6 The board set the date, time, and place of the meeting by considering the interests of shareholders, such as allocating sufficient time for debate, and choosing a convenient location

8.7 The board ensure that the company does not through its meeting attendance requirements to prerequisites prevent attendance by or places an undue burden on shareholders, including as a result as a result of identification requirements that exceed applicable legal and regulatory requirements.

8.8 In the interest of transparency and accountability, the board should promote the use of information technology to facilitate the shareholders' meetings, including for registration and vote counting.

8.9 The chairman of the board is the chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the company.

8.10 To ensure the right of shareholders to participate in company's decision-making process in relation to significant corporate matters by participating and voting at shareholder's meeting on basis of sufficient and information, directors who are shareholder should not be allowed to add items to the meeting agenda that have not been duly notified in advance.

8.11 All directors and relevant executives attend the meeting to answer questions from shareholders on company-related matters.

8.12 The attending shareholders should be informed of the number and the proportion of shareholders and share represented at the meeting in person and through proxies, the meeting method, and the voting and vote counting methods before the start of meeting.

8.13 There will not be any bundling of several items into same resolution. For example, the appointment of each director should be voted on and recorded as separate resolution.

8.14 The board promote the use of use of ballots for voting on resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "for", "against" and "abstain" votes. The voting results for each proposed resolution should be included in the minutes of the meeting.

8.15 The board ensures that the company discloses the results of voting proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the company's website by the next business day.

8.16 The board ensures that minutes of the shareholders' meeting is submitted to the stock Exchange of Thailand within 14 days from the shareholders' meeting date.

8.17 The board ensures that the company promptly prepares the minutes of the shareholders' meeting, including the following information:

- (1) attendance of directors, executives, and the proportion of attending directors;
- (2) voting and vote counting methods' meeting resolutions, and voting results ("agreed", "disagreed", "abstained") for each proposed resolution; and
- (3) questions asked and answers provided during the meeting, including the identity of the persons who asking and answering the questions.

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## Code of Conduct

The Company realized on the importance of good governance for benefiting the management effectively and increasing the reliability to shareholders, clients, partners, creditors and employees. The Company has established the management policy and corporate governance system for operating the company to achieve its objectives and goals in the business way to stand for corporate governance policy, have responsibility to all stakeholders including social and the country for common interest. It could be categorized as follows:

### **1<sup>st</sup> Category: Business Code of Conduct**

#### **1. Disclosure and Transparency**

The management, accounting record and financial reported must be done correctly according to the law, equity rules and international standard. And also the information must be disclosed correctly, transparently and presently for reliability of investors, shareholders and related creditors.

#### **2. Commitment to Business Integrity**

Shareholders, employees, clients, competitors, partners and creditors must be treated fairly and correctly according to the law and enhanced the cooperation between related parties for operating the corporate business consistently and providing the benefits to all related parties fairly.

#### **3. Risk Management**

The company has established risk management policy relating to the efficiency, effectiveness and accuracy of financial reports, corruption risk management and compliance with laws, rules, regulations and orders in alignment with the good internal control practices by analyzing the risk of business transaction and determining the level of risk and control measures for minimizing the risk to the lowest level.

#### **4. Best Practice**

To promote best practice to all personnel and divisions for improving self performance and development and being the best always.

#### **5. Corporate Social Responsibility**

Do the business by considering the duties and responsibilities relating public benefits and environment for developing well being of Thai society.

#### **6. Ethics and Integrity**

Ethics and integrity are fundamental to good governance. The Company needs to promote ethical and integrity practice to directors, management and employees at every level. The business cannot be sustainable if it is not built on good, integrity and ethical values.

#### **7. Anti-Corruption**

The company supports anti-corruption by establishing its policy to all board of directors, management team and all staff in every level as well as communicating to all related parties including subsidiaries and other companies that the company has the power to control, acknowledge and conform to the company policy and legal requirement.

### **2<sup>nd</sup> Category: Directors, Executives and Employee's Ethics**

The Company has built the integrity and ethical practice to directors, management and employees as follows:

#### **1. Best Practice of the Company**

1.1 Act with integrity, honesty and transparency by considering the highest benefits of the Company and related persons.

1.2 Perform duties with diligence, skill and care. Foresee problems and find their resolutions. Maintain working standard constantly.

1.3 Follow the rules, regulation and orders strictly according to the standard and code of conduct established by the Company.

1.4 Not engage in outside business activities or invest to compete or appear to compete with the Company's business.

1.5 Not engage in any other business activities, personal business or others that are not the Company's business activities during working hours. Be careful and avoid personal business or any other activities that may conflict or damage reputation of the Company.

1.6 Not use job or information of the Company or of stakeholders for seeking personal, family or others' beneficial interests directly or indirectly.

1.7 Must protect and not disclose confidential information of the Company, stakeholders unless it is required to do so as on duty and responsibility or to comply with judicial proceeding, by law or court order or legal process or to authorized officials according to the law.

## **2. Best Practice for Customers, Partners and Creditors**

2.1 Must not accept or offer gifts or presents from customers, partners, contractors, vendors, service providers or government officials.

2.2 If employee accepts gift of more than nominal value, given on traditional occasions, employee must inform supervisor.

2.3 Accepting to do any task for any business activities by receiving payment directly or indirectly, employee must report to supervisor about the relationship.

2.4 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.

2.5 The company has regulations regarding accepting/giving gifts which shall apply to clients, parties, creditors and related persons who relevant to the company.

## **3. Best Practice for Employees**

3.1 Must obey and follow the supervisor's lawful orders and must not interfere with authority in management. Achieve accomplishments, improve creative thinking for assigned tasks, develop a positive attitude to supervisors and be adaptive to be able to work with supervisor.

3.2 Keep learning for self-development and improve work efficiency.

3.3 Be a good subordinate and respectful. Is consistent and fair with all subordinates. Promote subordinates and enhance their progress. Be a good listener and help consider, analyze and solve problems.

## **4. Best Practice for Society**

4.1 Support social activities with no affect or damage to the reputation or interest of the Company or no conflict to work duties.

4.2 Use political right according to the law and avoid actions that can cause misunderstanding that the Company involved in any political parties.

## **3<sup>rd</sup> Category: Code of Conducts for Directors, Executives and Employees**

### **Directors Code of Conducts**

#### **1. Setting Company Goals**

Establish the Company's vision, mission, objectives, policy and strategies for long-term value added to beneficiaries. Execute to manage risks affecting on achieving objectives and goals with system and suitable pattern to the organization according to generally accepted work instructions.

#### **2. Good Governance**

Promote the good governance and moral rules according to international system. Build a good relationship to beneficiaries and society. Create reliability and confidence to related persons both in society and country level. Manage the company's operations to ensure all activities are conducted in accordance with rules, regulations and relevant laws as well as ensure that information relevant to the Company is disclosed correctly, accurately, on a timely basis and transparently.

#### **3. Maintain Moral and Ethical Conduct**

Operate the Company's business by moral and ethical principles and promote moral and ethical conduct at all levels of organization including inspect and resolve conflict of interest that may arise in the organization.

#### **4. Duties and Responsibilities**

Act honestly with fairness and integrity in all business activities for the highest benefit of shareholders and related persons in overall.

#### **5. Company's Assets**

The Company's Assets should be inspected to ensure their efficient use and protected from any damages or improper uses. All Company's assets should be used for legitimate business purpose.

#### **6. Monitoring and Evaluation**

Review and approve major strategies and policies including objectives, financial goals and plans as well as regularly monitor and evaluate implementations according to the plan.

### **Employee Code of Conduct**

#### **1. Duties and Responsibilities**

Employees should perform their duties with integrity, honesty and care for all business activities. Should improve quality and efficiency including develop the organization for the best practice and not slander directors or other employees without true information.

#### **2. Comply with Laws, Rules and Regulations**

Employees should comply with laws, rules, regulations and related principles. Employees should not help, support or do any thing that may lead to avoidance in complying with laws or regulations.

### **3. Report and Financial Statement**

Accounting record and financial statement should be reported correctly and truly and according to the rules and regulations of the Company. Information relevant to the Company should be disclosed correctly, accurately, on a timely basis and transparently to related persons.

### **4. Getting Benefits from Persons Engaging the Company's Business**

Employees should not request for, accept or agree to accept money or any other benefits from customers, partners, contractors, vendors, product and service providers or any other persons engaging the Company business. Employees should not give special favor or have close relationship with any customer that lead to another misunderstanding and appeared that they are not being treated fairly and caused them not wanting to deal with the Company and damage the Company's image and reputation.

### **5. Information Confidentiality**

Employees should not intentionally or unintentionally disclose information, documents, technologies, technical know how, rights, copyrights, patents and inventions are considered as the company confidential information to other persons, it may result in damages to business competition, images or reputation of the company.

### **6. Company's Assets**

Employees have duties and responsibilities to use the Company's Assets efficiently. The Company's Assets should be protected from any damages or improper uses and they should be used for legitimate business purpose only.

### **7. Entertainment and Gifts**

Employees must not offer or accept gifts, presents or entertainment from customers, partners, contractors, vendors, service providers or government officials. If employee accepts gift, given on traditional occasions, of more than nominal value, employees must inform supervisor.

### **8. Conflicts of Interest**

Employees should not perform any activities that can create a conflict of interest to the Company's business e. g. acts or activities may cause the Company to lose or get less benefits or the Company's benefits are shared.

#### **8.1 Competition with the Company**

Employees should not involve or invest in activities that are competition with or may compete with the Company's Business.

#### **8.2 Seek for the Company Benefits from Personal Activities**

All employees should disclose their personal, family, relative or dependant's business or activities. If there is any interest that may affect the Company's business or cause the conflict of interest such as

8.2.1 Invest or share benefits with traders dealing with the Company

8.2.2 Is employed in any job title or as a consultant of trader who dealing with the Company or its customer.

8.2.3 Directly or indirectly supply products or provide service to the Company and its affiliated companies or through others.

#### **8.3 Use Company Information for Personal Advantage**

Employees shall not seek for personal or other benefits from confidential information of the Company or its affiliated companies such as the Company plan, revenue, resolution, business projection, inventions or research results, bidding information whether these information can cause damage to the Company or not.

### **9. Maintain the Company's Reputation**

Employees should avoid any acts that may affect the Company's reputation or cause troubles to the company. Employees should maintain their honor and be accepted in society.

## **4<sup>th</sup> Category: Rights of Shareholders and Equitable Treatment of Stakeholders**

### **Rights of Shareholders**

1) Board of directors should take care and encourage shareholders to exercise their basic rights to:

- Participate and vote in the shareholder meetings to make decisions on any of significant corporate changes and approval of transactions.

- Elect or remove members of the board and appoint the independent external auditor.

- Share in the profit of the company.

- Buy, sell or transfer shares, obtain relevant and adequate information on the company in a timely manner and on a regular basis, and make decisions on any transactions that affect the company and themselves.

2) Shareholders should be invited for the meeting and sufficient information regarding venue, time and issues to be decided in each agenda item should be provided in advance of the meeting and the company should arrange sufficient and suitable meeting venue and time for the most members to participate in the meeting.

3) Under the Company's laws and regulation, Shareholders should be allowed to propose an agenda item, ask questions, ask for explanation and express their opinions.

4) The chairman of the meeting should participate the shareholder's meeting for answering questions or allow management or other related directors to answer the questions.

5) After the shareholder's meeting, relevant information regarding the decision and voting result should be provided to shareholders.

### **Equitable Treatment of Shareholders**

- 1) Shareholders have the right to vote according to number of shares they hold and information regarding the company should be provided equally.
- 2) Shareholders should obtain relevant and adequate information on the company in a timely manner an equal way. The company should not be bias to any one or group of shareholders by providing them non-disclosure information.
- 3) Shareholders will be treated fairly and equally in the meeting.

### **Stakeholders will be treated fairly**

The company respects the rights of stakeholders and has set a clear policy in corporate governance for ensuring that stakeholders include shareholders, employees, executives, customers, partners, creditors as well as public and society will be treated fairly according to their legal rights. The cooperation between stakeholders should be enhanced according to their roles and duties, securing the company business activities and benefiting all stakeholders fairly.

### **Treatment of Shareholders**

The company is willful to be a good representative of shareholders to operate the business activities and provide the most satisfaction by considering long-term growth of the company including disclose the company information transparently and reliably to shareholders.

### **Treatment of Employees**

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.

The company shall provide safeguard and protect staff who informs corruption cases occurring in the organization by keeping it confidential, no punishing or firing that staff from the organization according to the Whistle Blowing and Protection policy for appellant.

### **Treatment of Customers**

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 as follows:

- 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.

- Customers' Confidential Information: Directors, Executives and Employees at every level should not disclose customers' confidential information without prior permission of customers or authorized person of the company unless the information need to be disclosed to third parties pursuant to a court order according to the law.

### **Treatment of Competitors**

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.

### **Treatment of Partners**

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.

The Policy of the Company is not to conduct business with parties who are involved in corrupt activities.

### **Treatment of Creditors**

The Company adheres to the contract and complies with the terms and conditions of creditors strictly for paying off capital, interest and secures the guarantee.

## **5<sup>th</sup> Category: Internal Control Policy**

### **1. Corporate Organization Chart**

Internal audit is a necessary and important process for the corporate organization because it is an internal control that helps executives to ensure that the internal control is performed continually and properly and it helps to search the faults, weakness for developing the existing operating system to be more efficiently. The company, therefore, establish an internal control unit as a department of the company.

### **2. Control Environment**

To support and promote a good internal control environment as follows:

2.1 Establish policies, goals and business directions clearly and measurably and propose to Board of Directors for Approval of employee's code of conduct.

2.2 Set up a code of business ethics by evaluating business ethics of the company including good practice for directors, executives and employees for setting up a code of conduct and informing entrepreneurs, who deal with the company regarding the company policy periodically as well as informing employees to perform their duties with integrity,



ethics and morality without conflict with the code of business of the company. Announce in writing to directors, executives and employees that performances that may constitute the conflict of interest of the business are prohibited.

2.3 Create a proper corporate organizational structure and the line structure is defined by its clear chain of command, relationship between divisions in the organization and lines of authority for all levels of management. These help executives operate the business efficiently.

2.4 Has a regulation regarding room, food and beverage service, financial and accounting, human resource management and hotel and restaurant accessories procurement as practice guidelines to be used by employees to comply with the Company's regulation.

2.5 Define job description, tasks, duties, knowledge, abilities and skills of position. And provide suitable authorities and responsibilities for each job title.

2.6 Has the human resource management on recruiting the right person for the right position, developing and training personnel, promoting to a higher job position, increasing salary level including analyzing incentives or benefits to employees that whether it is reasonable.

### **3. Control Activities**

3.1 Duties and Responsibilities are defined into 3 categories:

- 1) To approve
- 2) Record accounting items and communication information and
- 3) Maintain and collect assets separately for being audited each others.

3.2 For each type of transaction, the Company has defined the authorized persons in written for financial amount approval.

3.3 Documentation and evidences has been conducted for facilitating and sharing responsibilities including informing responsible person in case there is anything wrong.

3.4 Protect business assets from loss and improper use such as check and count assets occasionally, security guard is arranged to protect and prevent loss of assets etc.

### **4. Monitoring and Evaluation System**

4.1 To conduct the report for comparison of the actual operation result of existing and last year and to revise it regularly

4.2 Internal audit is conducted by skilful person with knowledge and abilities and to propose the internal audit report to Board of Directors

4.3 Major defects of internal control found by internal auditor or independent accounting auditor have been reported to a high level of executives and Board of Directors to consider and revise without hesitation

4.4 Has a policy to executives that if there is any case of corruption, suspected corruption, law violation and any other abnormal acts that might significantly affect to the Company's fame and financial statement, they shall report to Board of Directors immediately.

### **5. Communication and Information System**

5.1 Continuously support development of communication and information system

5.2 Record directors' opinion and file document into categories

5.3 Important information is collected sufficiently for making decision

5.4 Board of Directors receives letters and meeting document containing adequate information for considering the minutes of board of directors' meeting

5.5 Accounting Report is conducted according to accounting policy under the general accounting principle and suitable with the business type of the Company

### **6. Significant Risks Affecting Achievement of Business Operation Objectives**

The business risk from internal and external factors has been managed properly. Executives and related employees have cooperated to set the risk evaluation and analysis system affecting business operations and find protection measure regularly. There is a follow up and investigation measures causing risk factors and performed according to the risk management measures as defined for minimizing risk to be at suitable level. Related employees have performed according to the risk management plan.

### **6<sup>th</sup> Category: Disclosure and Transparency**

1. Director has the duty to conduct financial statement for reporting the financial status and operational result of the Company as specified by law and disclose adequate, reliable, and up to date information to stakeholders of the Company equally.

2. The Company develops important information carefully, apparently and transparently and it has been disclosed regularly.

3. Board of directors shall conduct a descriptive report to be supplemented with the Annual Report for explaining important and complicated matters and elucidating important policy of the Company relating operational risk management and also financial increase.

4. Board of directors shall make additional disclosure in the Annual Report regarding number of meeting attendance of each director and/or sub-director/subcommittee to compare with number of director/subcommittee meeting arranged each year.

5. There is an agency/a department to provide information and communication to shareholders, investors as well as securities analyst.
6. The Company has regularly disclosed the information as follows:
  - Objectives of the Company
  - Financial statement and report from the chairman of audit committee
  - Operational result of the Company and analysis
  - Shareholding structure and management
  - Risk Factors
  - Corporate governance policy, etc.

**7<sup>th</sup> Category: Environmental, Occupational Health and Safety Policy**

**Environmental Policy**

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

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

**Occupational Health and Safety Policy**

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

- To prevent accidents caused by fire and explosion.
- To prevent chemical hazards
- To prevent injuries caused by mechanical works
- To prevent dangers from electrical works

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

**8<sup>th</sup> Category: Anti-Corruption Policy**

The Company realized that bribery, dishonesty and corruption can damage the organization as well as the economic and social development of the country. The Company, therefore, has established the Anti-Corruption Policy and places its guidelines as follows:

1. The Board of Directors, the Management Team and the Company staff in every level must follow with Anti-Corruption Policy, good corporate governance practices and Code of Conduct of the Company by avoiding involving with any course of corruption. The Board of Directors, the Management Team and the Company staff in every level are prohibited from operating or accepting every type of corruption both in direct or indirect manner for benefiting him/herself, family members, friends and acquaintances.
2. All staff shall not be negligent in any corruption conditions involved with the Company. All staff must notify such act to supervisor, human resource manager, managing director, internal auditor, or audit committee including collaborate with investigation. Any questions or queries are needed to be consulted by supervisor, human resource manager, managing director, internal auditor, or audit committee.
3. The Company shall provide fairness and safeguard staff who denies or informs corruption cases relating the Company.
4. In every business transaction dealing with both public and private sectors, it must be processed correctly, transparently and properly. Avoid any act persuading public or private sector employees to do it improperly or illegally by proceeding in accordance with Thai law.
5. The Policy of the Company is not to conduct business with parties who are involved in corrupt activities.
6. Any person who commits the corruption is equivalent to misconduct and must be disciplined and punished according to the law.
7. The Company will provide knowledge sharing and dissemination of this Anti-Corruption Policy to all staff and other people through the Company website at [www.asiahotel.co.th](http://www.asiahotel.co.th)

## ASIA HOTEL PUBLIC COMPANY LIMITED


### Policy on the Anti – Corruption

"Asia Hotel Public Company Limited is committed to conduct business with integrity and according to the principles of corporate governance, using strategies in business competition fairly, transparently and adhered to service standards and quality of hotels and restaurants significantly and strictly complying with applicable laws. The Company has against corruption by not accept any corruption. The Company and its subsidiaries or other companies that we have power to control, including people associated with the business operations do comply with this anti-corruption policies, which covers compliance in all units in the company.

The Company has an employee training and public relations to provide the knowledge and better understanding to those involved with the company, they must not acquire or has consented to receive money or benefits from related business and does not perform any such nearby. In addition, no claim or action or accept bribes for sake of the company, family, friends and acquaintances. If the Board of Directors, executives, and employees do not comply this policy, they shall be subject to disciplinary action and penalty.

In addition, The Company has conducted evaluation on the risk of potential corruption in each process regularly as well as tried to find appropriate solutions by establishing channels for reporting the clues or lodging complaints to the Audit Committee of the Company in case of finding circumstances or acts indicating dishonest acts or misconduct of individuals. "

The Board of Directors Meeting No. 9/2014 held on July 15, 2014 has approved a policy on corruption, Henceforth.

Sign.....  
Surapong Techaruvichit.  
Managing Director

## **Asia Hotel Public Co., Ltd.** **The Manual Supplements to** **The Policy on Anti-Corruption**

### **1. Introduction**

- 1.1 Asia Hotel PCL adheres to honesty with its business operations and is in compliance with the principles of good governance. It uses the strategy in the business competition with equity and adheres to the service standards and good quality of the hotel and restaurant as priority and complies with the relevant laws strictly. It has well-realized that bribery and corruption are severe threats to destroy fair and free competition, including causing damage to the country's economic and social development. It has a policy of anti-corruption by rejecting any type of corruption whatsoever. It also directs its subsidiaries or other companies with control over them, including the relevant people on the business operations to follow the policy on the anti-corruption, which covers compliance in all of its relevant units.
- 1.2 The company has participated in the project "Private Sector Collective Action Coalition against Corruption "CAC" to create a standard on doing honest business for the inside and outside benefits of the organization.
- 1.3 This policy of anti-corruption "Policy" is considered being an additional part of the policy on good governance and has been approved by its board of directors.

### **2. Objectives**

This policy has the following objectives

1. It shows its standing point on anti-corruption in the entirety.
2. It sets the guidelines and practices to prevent the company and its employees from violating the law on bribery and anti-corruption.
3. It designates the procedure on verification and follow-up to make sure that there is compliance with this policy.
4. It encourages its employees to be vigilant and report on encountering corruption via the safe communication channel.
5. It supports the subsidiaries and other affiliates, including the relevant persons in doing business with the company against bribery and corruption.

### **3. Scope**

- This policy is applicable with the directors, management and all employees (hereinafter the "Employees") of the company.
- The company expects its subsidiaries and other companies and affiliates to comply with this policy.

### **4. Definitions**

Any statements or words used in this policy shall have the following meaning except being shown or explained otherwise.

Fraud means embezzlement of money or property of the company for self-interest, including withdrawing/paying money by fraudulent means and falsification or destruction of the document to derive of personal gain.

Corruption means bribery, demand, acceptance, offer and exploitation of the authority and information received from the performance of duty within the company to do something for self-benefit, friends or other people to derive of anything or benefit unsuitable for the business or by favoritism. It is for self-interest directly and indirectly, including anything in violation of the law or against the business ethics of the company or against the usual trade practices.

Corruption can be perpetrated in multiple forms, e.g.

1. Political contributions.
2. Charitable contributions and sponsorships.
3. Gifts and hospitality.

### **5. Duties/Responsibilities**

- 5.1 The board of directors has assigned its audit committee to supervise the policy and the measures on anti-corruption to make sure that the company has complied with its duty according to the laws and the specified code of conduct.
- 5.2 All the management has the main duty to apply this policy, including following up the effectiveness of this policy, while the managing director has a duty to explain, answer and interpret the asking questions.
- 5.3 All of the management has a duty to communicate with its subordinates to have realization and understanding in this policy and has been trained sufficiently and regularly.
- 5.4 The employees shall perform the duty to be consistent with this policy. In case of doubt or encounter a violation of this policy, they shall report to the superior or via the specified channel according to policy on reporting a clue and the protection of the complainant.

### **6. Policies and guidelines**

#### **6.1 General provisions**

- 6.1.1 The company has zero-tolerance policy and complies with the entire relevant laws on anti-corruption in Thailand.
- 6.1.2 The company shall not participate in the corruption directly and indirectly, and determined to apply the control system, rule and practice with effectiveness to use in the anti-corruption.
- 6.1.3 The company's employees shall not participate in the corruption and bribery with the public and private authorities, e.g. the personnel of the various companies with a joint transaction directly and indirectly to acquire or maintain or exploit a competition.

6.1.4 The company has set up guidelines on the practice and the internal audit to prevent from corruption by designating a policy on risk management and evaluation of the risk on corruption that may happen inside the organization.

6.1.5 The company has evaluated the risk on possible corruption and the support of a political activity, charitable donation and as a patron and giving a gift or expense on the entertainment by setting up the practical guidelines.

## **6.2 Relevant companies and persons**

6.2.1 The subsidiaries and affiliates that the company has the power of control.

The company shall notify and support its subsidiaries within its power to comply with the policy on anti-corruption.

6.2.2 Business agents and middlemen.

It is prohibited the company or employees from hiring an agent or middleman in any business with the purpose for corruption.

6.2.3 Distributors/service providers and contractors.

The company shall arrange a purchase, procurement of goods/service with equity and transparency, including assessment to select the goods/service distributors and the contractors with scrutiny. However, it shall notify them on this policy, and it reserves the right to terminate the purchase and contract, on finding out that the goods distributor/service provider is involved with or have committed corruption or bribery.

## **6.3 Support on political activities**

The company has no policy to help or support a political activity or party or group, regardless of directly or indirectly.

## **6.4 Donation for a charity or becoming a patron**

6.4.1 The company donates for charity in the form of financial assistance or other forms (e.g. giving knowledge or time sacrifice) as part of the activity rewarding the society, including public relations and promoting good images to the company without aiming for business result in return.

6.4.2 Acting as the endorser is a method of business public relations, which is different from a charitable donation. It can be made in multiple forms, e.g. support on the activities in art, culture and education, etc.

6.4.3 The employees shall be careful to make sure that the charitable donations and patronage shall not be an excuse of a bribe, including doing it with transparency and in compliance with the applicable law.

6.4.4 In a donation for charity or as a patron, it shall prepare an application stating the name of the donee/benefactor and the objective of the donation/support with the entire appendices submitted to the authorized person of the company to approve according to the rule of the company.

## **6.5 Gift and Entertainment Expense**

6.5.1 The company is aware of creating good relations with a business ally are an important thing to bring its continuous success.

6.5.2 Giving, presenting or receiving a gift, entertainment or any interest with the customers, trade partners or relevant persons shall comply with the rules on giving/taking of a gift or award.

## **7. Internal Control**

7.1 The company shall maintain its internal audit system effectively is anti-corruption, which covers a mutual audit on accounting, data storing, including other business processes involved with this policy.

7.2 The internal audit system shall consist of the control the whole organization, including control and procedure on the practice as specified specifically, and designed for managing the risk of possible corruption.

7.3 Organization-wide control consists of the policy on business supervision, address on anti-corruption of the management, verification of the internal audit office, policy on human resources, bylaws of the company, authorization and division of the duties suitably, records and reports of accounting and financial data correctly and truly, and handling of the report upon encountering corruption.

## **8. Storing of Data**

8.1 The company has a policy to comply with the standards, principles, including the laws applicable on the report of accounting and financial information.

8.2 All types of the expenditures shall include supplementary documents; including storing and preserving the data of the company shall comply with the relevant laws and regulations.

8.3 The company does not allow false recording of data with a wrong principle, invalidity, or incorrectness or window dressing as well as shall not have an extra accounting for using to support or conceal the inappropriate receipts or payments.

## **9. Training and Communication**

### **9.1 Employees**

All of the employees are trained on anti-corruption regularly just to be aware of this policy, especially on the various forms of the corruption, the risk of participation in it, including the method of reporting in case of encountering or suspecting to have corruption.

All of the employees shall receive a copy of this policy to make sure that they have received and understood of the company's policy on the anti-corruption. Moreover, they can read it, including the updated information from our website at [www.asiahotel.co.th](http://www.asiahotel.co.th). We shall notify out employees for acknowledgement, if there is a change in the essential information.

Training on the knowledge about this policy shall form a part of the orientation or before taking the office of all the new employees.

## **9.2 The Outsiders**

We shall communicate the policy on anti-corruption in the entirety to our agents, middlemen, distributors of our goods/services and the contractors for acknowledgement from the start of the business relations and thereafter as appropriate.

Nevertheless, we encourage our agents, middlemen, distributors of the goods/services and contractors to adhere to the standards on social responsibility the same as ours.

## **10. Reporting upon encountering corruption**

In a situation that an employee has a question or evidence that there is an employee or person acting on behalf of the company has participated in corruption, they shall report it to the superior promptly, or report via the channel according to the “policy of reporting a clue and protection of the complainant.” After the company has received a report, it shall take up the matter seriously, and shall not punish the whistleblower with integrity.

## **11. Protection of its employees**

11.1 Our company can assure you that there will be no employee is demoted, punished or affected from refusing a bribe, although such the refusal may cause us to lose business or miss an opportunity to get a new business. We believe that the policy on refusing a bribe and ant-corruption entirely can help to build the value to us. Furthermore, we shall not allow anyone to intimidate or threaten or withhold the employee who intends to comply with this policy.

11.2 Nonetheless, if the employee believes that they are intimidated or threatened or withheld, shall report to the direct superior or the personnel manager promptly. In the event that it has not been remedied, they shall report via the proper channel according to our “policy on reporting a clue and the protection of the complainant.”

## **12. Violation of the Policy**

12.1 The company shall take a disciplinary action against the employee who violates this policy, including the direct superior who ignores the perpetration or with realization that there is a commission of an offense but failed to remedy it. The method of punishment shall depend on the facts, circumstances and characteristics of the offense by designating a rule punishing the employee violating the policy.

Meanwhile, the ignorance of this policy and/or the relevant laws cannot be excused for not complying with them.

12.2 The agents, middlemen, distributors of goods/services or any contractor of the company may be terminated of the contract, if violating the guidelines of this policy. In addition, when they have recognized the offense against this policy, but failed to report to the management, or has given incorrect information upon our investigators have investigated the information on the action that may be contradictory to this policy as well.

## **13. Relevant policy, report and record forms**

The employees should read and understand the policies jointly with other manuals of the company as follows:

13.1 Policy on supervision

13.2 Policy on reporting a clue and the protection of the complainant.

13.3 Employee bylaws.

13.4 Rules on accepting/giving a gift/reward.

Relevant records are,

13.5 Rules on charitable donations and becoming a patron.

13.6 Record on an application for a donation or support.

13.7 Reporting on accepting a gift/award form.

13.8 Reporting on giving a gift/award form.

## **14. Supervision, follow-up and investigation**

14.1 The management has to review this policy annually and present to the audit committee and the board of directors for approval. However, if there is a change, including supervision and follow-up for practice continuously or any improvement may be implemented as soon as possible.

14.2 The internal audit shall examine the internal audit system and the operations in accordance with the policy regularly to make sure that the system is effective on the anti-corruption. Nevertheless, it shall consult on the result of the audit jointly with the relevant persons to find suitable and remedial guidelines, and shall report to the management and the audit committee for acknowledgement regularly.

\*This manual is supplementary to the policy on anti-corruption approved by the board of directors on 11 November 2016\*



## **Asia Hotel Public Company Limited**

### **Policy on Reporting a Clue and the Protection of the Complainant**

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Asia Hotel PCL has a policy of giving a clue on an offense or misconduct or behavior that may imply dishonesty, corruption or misbehavior of the people within the organization from its employees and all the vested interests. In addition, it has a mechanism in protecting the whistleblower and prioritization on collecting information, clue and complaint to be kept confidential and to build confidence to the complainant with the following details:

#### **1) Scope of reporting a clue or filing a complaint**

- 1.1 When there is a question or discovery of a violation of the good practice in the following matters:
  - Violation on following the principles and guidelines of the policy supervising good governance.
  - Violation of the rules, regulations and bylaws of the company.
  - Being treated unfairly during working.
  - Commission of misconduct and corruption.
- 1.2 Discovery of an action that causes a suspicion and bad effects to the company.

#### **2) Channels on reporting a clue or complaint**

- 2.1 Direct superior of the employees
- 2.2 Personnel manager of the company
- 2.3 E-mail address: [acboard@asiahotel.co.th](mailto:acboard@asiahotel.co.th)
- 2.4 Mr. Suwat Dusitrojjanawongsa  
Independent Director and Chairman of Audit Committee  
Asia Hotel PCL
- 2.5 Mr. Surapong Techaruvichit  
Managing Director  
Asia Hotel PCL

#### **3) Consideration on the clue or complaint**

- 3.1 Details of the clue or complaint must be true, clear or sufficient to lead to finding facts for further operations.
- 3.2 The informant or complainant can choose not to reveal their name, address, contact telephone number, if they deem it can cause a security concern or any damage. However, the disclosure of identity can help the case to progress or inquire about the beneficial information additionally, and giving facts or relieve damage conveniently and more rapidly.
- 3.3 The received information shall be considered confidential and no disclosure of the name of the informant or complainant to the public without prior consent.
- 3.4 The informant or complainant shall be protected of their right, regardless of being an employee or a third party.
- 3.5 The receiver of the clue or complaint and the relevant person with the process on verifying the facts has to keep the information secret and disclose only as necessary, considering the safety and damage to the informant or complainant or cooperator in the verifying the facts and the source of information or the relevant person.

#### **4) Relevant People Group**

- 4.1 Informant means the person who reports a clue or complaint.
- 4.2 Coordinator on the complaint means the person who receives the complaint, collects the basic information and the summary on the operations is the secretary of the company.
- 4.3 Supervisor of the complaint means the direct superior of the complained person or the higher superior of the complained unit.
- 4.4 Supervisor of the disciplinary rules means the personnel department
- 4.5 Managing director
- 4.6 Audit committee

#### **5) Procedures**

##### **5.1 After the coordinator has received a complaint, they shall proceed as follows:**

- Submit the matter to the supervisor on the complaint, proceed to find facts and give an order according to the existing authority.

- Submit a copy of the matter to the personnel department for acknowledgement initially to prepare an advice according to the discipline or other matters.
- Submit a copy to the managing director and the audit committee for acknowledgement.

### **5.2 Gathering of facts and giving an order**

- 5.2.1 The complaint supervisor shall proceed to find facts and give advice for the involved persons to behave or act suitably later. If there is a disciplinary action, it can be made in consultation with the personnel department, so it shall comply with the punishing measures as well. However, if the complaint supervisor has no power to order a punishment, it shall be presented in the hierarchical chain of command up to the authorized persons as the case maybe. Then it shall send the results on finding the facts, operations and punishment as the case maybe to the managing director via the hierarchical superiors for acknowledgement or an order
- 5.2.2 In the case the complaint is anonymous and cannot find additional information sufficiently, the complaint supervisor shall send a report on the verification of the information and comment to the managing director via the hierarchical superiors for suitable guidelines further. However, if the managing director deems it cannot proceed on the complaint, which the case can be closed, he shall inform the complaint supervisor for acknowledgement and report to the inspection committee.
- 5.2.3 In a situation that the complaint supervisor has verified the facts and found the complained person is innocent, or it is a matter of misunderstanding or has given advice to the complained person or the relevant person to have suitable behavior or practice, so the matter should be closed without any punishment. The complaint supervisor shall present such the matter to the higher hierarchical superior for approval to close the matter with a copy to the coordinator who receives the complaint and inform the complainant for acknowledgement, and report to the managing director as well as the inspection committee.

### **5.3 Investigation of the facts and punishment**

- 5.3.1 In the case that the complaint supervisor and the personnel department have investigated it and deemed appropriate to take a disciplinary action, the personnel department shall present the matter to the managing director.
- 5.3.2 After the result of the order by the managing director, it shall notify the supervisor on the complaint to take further actions.
- 5.3.3 The punishment shall comply with the rules of the company and/or the relevant laws.

### **5.4 Notifying the summary to the whistleblower or complainant and remedy**

- 5.4.1 The coordinator on the complaint shall notify the results on the operations to the complainant and record the results on the operations related to the complaint by presenting to the inspection committee on a quarterly basis.
- 5.4.2 The coordinator on the complaint shall follow up the result on the remedy (if any) and report to the managing director and the inspection committee for acknowledgement.

## **6) A bogus complaint or wrong channel**

In a situation that the complaint giving a statement or any information that can be proven to be bogus or is in the wrong channel, if it is the case of a company's employee, they shall be faced with a disciplinary action. However, it is an outsider who does that to inflict damage, so the company shall consider prosecuting them as well.

## **7) Responsibility of the higher superior**

In the case the supervisor on the complaint ignores or refuses to follow this policy, the higher superior may be faced with a disciplinary action as well.

## **8) Measures on protecting the rights of the whistleblower or complainant**

- 8.1 The company shall keep the information and the identity of the whistleblower or complainant and the complained person confidential.
- 8.2 The company shall reveal the information only as necessary by considering the safety and damage to the informer, source of information or the relevant persons.
- 8.3 The injured person may be relieved of the damage by the suitable and fair process.
- 8.4 In the event that the complainant or cooperator on verifying the facts deems that they feel unsafe or may suffer damage, they can request the company to set up suitable and protective measures by themselves, or the company may set up protective measures by the complainant or the cooperator on the verification of the case without a request, if it is deemed the case can cause suffering or damage or danger.
- 8.5 The company shall not do anything that is unfair to the whistleblower or complainant, regardless of by reshuffling the position, job characteristics, workplace, suspension, and intimidation, working disturbance, termination or other actions that are unfair to them or the cooperator in the verifying the facts.

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## **Procedures on Receiving/Giving a Gift or Award**

### **This procedure is part of the Anti-Corruption Policy**

Asia Hotel PCL has operated the business under the good supervision by adhering to the good governance principle and business code of conduct, with social responsibility, environment and the stakeholders from all partisans. It uses the strategy in the business competition with fairness, best product quality and service. Moreover, the company still has determination in the opposition to corruption in all forms. It also designates its directors, employees, including the relevant persons on its business, which it has the power in the control to comply with the policy on anti-corruption strictly.

Nonetheless, it has communication and public relations to create knowledge and understanding to the relevant persons not to demand or allow receiving money, things or any benefits from the vested interests. It includes not doing or making anything that can be considered as such and shall not demand, implement or accept a bribe for the benefit of the company or self or subordinate as specified in the policy on supervision of the company business and has been practiced all along.

#### **Procedure on Receiving a Gift or Award**

##### **Definition**

A gift or award or other benefits are anything other than non-monetary things given to each other at the various opportunities for etiquette or friendship or reward or affection or remuneration or at the various occasions normally according to the tradition or culture or according to the social practice. For instance, the New Year gift, birthday gift, gift given on the occasion of taking a new position and for the retirement date, etc.

##### **Taking Money or Reciprocal benefit**

The directors, management and employees shall not accept money or any rewarding benefit personally from the customers or anyone due to working in the name of Asia Hotel.

##### **Taking a Gift/Reward**

The directors, management and employees shall avoid accepting a gift in money and in kind from the trade partners or from those involved with the business of Asia Hotel except during the festivals or a tradition. They shall report to the superiors in the hierarchical command and notify the third parties, shops and companies or trade partners to deliver them to the specified point, and shall prepare a report on receiving a gift/reward or other benefits.

The Gifts/Rewards according to the Procedure of the Company that can be accepted

1. Things that are not money.
2. Things with the maximum value of 2,000 baht from the same source.
3. Things prepared for sales promotion and stamped with the logo of such the company, e.g. a pen, hat, T-shirt.
4. Things made for giving away/during the festivals, e.g. a calendar, organizer book, gift basket.
5. Other special benefits that the company shall receive for sales promotion, but it shall comply with the guidelines on sales promotion specified by the company and approved by the management.

##### **Rules on Giving Away a Gift**

The company has no policy to give away a gift or special benefits in the various forms, e.g. the cost of reception service, various expenses for the customers, trade partners, outside agencies or anyone to acquire the business except the business entertainment according to the tradition or giving a trade discount and its project sales promotion. It includes not giving a gift or award with a value directly and indirectly to the governmental authorities to secure a business except in accordance with the festival or tradition the same as giving to the customers of the company.

It has provided the gifts during a festival and according to the tradition to its customers and trade partners or contacting authorities with the clear guidelines on each festival.

It has designated a trade discount clearly for its customers and trade partners or governmental authorities in contact. Nevertheless, such the given present, award or trade discount shall be considered being for the fair business competition and not exploiting its competitors.

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\*The rules on Receiving/Giving a Gift or Award are approved by the board of directors on 11 November 2016\*

## **Procedures on Donation to the Charity and Becoming a Patron** **This procedure is part of the Anti-Corruption Policy**

Asia Hotel PCL has operated the business under the good supervision by adhering to the good governance principles and business code of conduct, with social responsibility, environment and the stakeholders from all partisans. It uses the strategy in the business competition with fairness, best product quality and service. Moreover, the company still has determination in the opposition to corruption in all forms. It also designates its directors, management and employees, including the relevant persons on its business, which it has the power in the control to comply with the anti-corruption policy strictly.

Donations or patronage has the objective for the public benefit on religion, education, sports and art and cultural activities shall be implemented with transparency and legality as well as complying with the procedures set by the company. It has verification and approval from the authorized persons to make sure that the donation or financial support is used in accordance with the objective and not an excuse for bribery.

### **Definition**

A donation is for charity and financial support means the money that the company has paid for the public benefit as follows for religion, education promotion, sports, art and culture.

### **Format of Donation or Support**

The company has a policy on donation or support in the following formats:

1. Cash or check
2. Room voucher
3. Food voucher
4. Things such as equipment/appliances and food, etc.

### **Procedures**

1. The operator shall prepare a record form for donation/financial support by stating the name of the donee or financial support, objective and name of the activity or requesting project.
2. Submission of the application for the donation/patron of the financial support with the entire supplemental documents to the authorized person of the company for approval.

**The company has set up the guidelines for a charitable donation and financial support for a public benefit with the following conditions:**

1. It shall be transparent, legal and moral, including not doing anything causing damage to the community.
2. Making a donation and support for the project according to the objective and can be proven to have an activity to support the objective of the project to success and create benefits for the society truly, or in compliance with the objective of the operation with social responsibility.
3. The donations and support shall not be involved with a reciprocal benefit to anyone or agency except a general announcement, e.g. decorating a logo or announcement of the name at the activity venue or in the media for public relations, etc.
4. It shall comply with the procedures on the operations. However, if it is a donation or financial support, regardless of the form, it shall be approved by the board of directors or the authorized person.
5. In donating money or property of the company, it shall be made in the name of the “Company” only. With such charitable donation shall go to a foundation, public charity organization, temple, hospital, medical place or organization to benefit the society. It shall have a certificate or reliability and evidence of the donation clearly and reliably, and in compliance with the procedure of the company. Nevertheless, the company shall not use the donation as a reference or use for other purposes.
6. Spending of the company’s money or property in support of the project shall state the name of the “Company” only. Meanwhile, the spent money must have the company’s business purpose, good image and reputation, and the payment shall state the clear objective and the evidence that is accountable.

\*The rules on the charitable donation and being the patron are approved by the board of directors on 11 November 2016\*

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## Audit Committee Charter

The Audit Committee Charter is adopted by the Board of Directors (“Board”) of Asia Hotel Public Company Limited (“Company”) on May 13, 2011 which is effective from May 14, 2011. The Audit Committee Charter comprises of the followings:

### 1. Objectives

The Audit Committee is an independent entity appointed by the Company’s Board of Directors to support the Board of Directors in controlling good corporate governance in financial reporting, effectiveness internal control system, compliance with applicable laws and regulations and issue an Audit Committee Report to be presented in the company’s annual report.

### 2. Composition and Qualifications

- 2.1 The Board of Directors appoints the Chairman and Members of Audit Committee that consist of least three independent directors whose qualifications meet requirements of the Office of the Securities and Exchange Commission.
- 2.2 At least one member of the Audit Committee should be equipped with experiences sufficient to perform efficient audit on the reliability of the financial statements.
- 2.3 The Audit Committee appoints a person to be the Secretary to the Audit Committee.

### 3. Qualifications

- 3.1 Hold shares of not more than 1.00% of the voting shares of the company, holding company, subsidiary company, associated company, major shareholder or person control over the company, including shares held by related persons of such independent director as equal as the SEC’s regulator.
- 3.2 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.
- 3.3 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.
- 3.4 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.
- 3.5 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.
- 3.6 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.
- 3.7 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.
- 3.8 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.

- 3.9 Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the company.
- 3.10 Must not 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.
- 3.11 Must not be a director of the parent company, subsidiary, or subsidiary of the same level, only a listed company.
- 3.12 Must have sufficient knowledge and experience to be able to perform duties as an audit committee according to the assigned task The audit committee must be able to devote sufficient time to the performance of the audit committee.
- 3.13 The Audit Committee should not serve as a director in more than 5 other listed companies as it may result in inadequate performance of duties in any one company.

#### **4. Term of Office**

- 4.1 The term of office of the committee member is three years.
- 4.2 The committee members may be re-appointed for another term.
- 4.3 In case of any directorship falls vacant other than mandatory expiration of office term, the Board of Directors shall appoint decent person to act as substitute committee member in order to maintain the required committee composition. The said substitute committee member shall be on duty only for the remaining office term.
- 4.4 Vacating form office means to include termination of directorship, or expiration of the prescribed term of service, or resignation, or removal.

#### **5. Roles and Responsibilities**

- 5.1 Review the accuracy and adequacy of the Company's financial statements.
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 Attend a meeting with external auditors without the presence of the Company's Management at least once a year.
- 5.6 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.
- 5.7 Review the Internal Audit Charter prior to submission to the Board of Directors for approval.
- 5.8 Approve the annual audit plan, scope of audit and internal audit budgeting.
- 5.9 Review the internal audit reports and follow up the significant issues from the reports.
- 5.10 Review the Code of Conduct prior to submission to the Board of Directors for approval.
- 5.11 Review jointly with the Management the risk management policy, the practice compliance with such policy, as well as the Company's risk management guidelines.
- 5.12 Review jointly with the Management the Management's Discussion and Analysis or MD&A section which is disclosed in the Company's annual report.
- 5.13 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.
- 5.14 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.
- 5.15 Any other tasks assigned by the Board of Directors and agreed by Audit Committee.



## 6. Meetings

### 6.1 Agenda of Meeting

Secretary of the Audit Committee prepares the invitation letter for the Audit Committee meeting. Each meeting has a clearly defined date, time, location, and agenda. She has delivered the meeting documents to the Audit Committee and attendees in advance for a reasonable period of time, to have time to consider various matters or request additional information for consideration. The setting of various stories The meeting shall be in accordance with the scope of duties and responsibilities of the Audit Committee as set out above.

### 6.2 Number of the meeting and attendee

- (1) The Audit Committee shall hold meetings to consider the matters at least quarterly.
- (2) The members of the Audit Committee should attend every meeting of the Audit Committee. The Audit Committee shall fix the number of members required to attend a meeting to make it valid according to law.
- (3) The Audit Committee may invite the directors or management members of the company, the related person of the agenda to attend a meeting to discuss the matter.

## 7. Reporting

7.1 Report on regular activities so that the Board of Directors is kept informed of activities of the Audit Committee.

7.2 In performing the roles of Audit Committee, should there are be sufficient reasons to believe that there is existence of the following actions, potentially harmful to the Company's financial status and operating performance, Audit Committee has to report to the Board of Directors for appropriate corrective actions to be taken within proper period, as agree by Audit Committee.

- (a) a transaction which causes a conflict of interest;
- (b) any fraud, irregularity, or material defect in an internal control system;
- (c) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

In case the Board of Directors or the Management fails to take corrective actions with the period defined in the above clause, one of the Audit Committee members may report such dishonest practice or major anomalies or defects to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

7.3 Prepare the Audit Committee's Report, signed by the Chairman of Audit Committee, promulgated in the Company's annual report and consist of at least the following information:

- (a) an opinion on the accuracy, completeness and reliability of the Company's financial statements
- (b) an opinion on the adequacy of the Company's internal controls system
- (c) an opinion on the Company's compliance with regulations governing stock and stock exchange, the requirement of the Stock Exchange of Thailand or other business-related regulations
- (d) an opinion on the suitability of an auditors
- (e) an opinion on the transactions that may lead to conflicts of interests
- (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member
- (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter
- (h) other issues deemed necessary to be disclosed to shareholders and general investors under the roles and responsibilities authorized by the Board of Directors.

## 8. Advisors

The Audit Committee may seek independent opinion from any other professional counsel when it is deemed necessary at the expense of the company.

## 9. Performance appraisal

The Audit committees should assess their performance through self-assessment and report the results of the assessment together with the problems and obstacles in the performance that may cause the performance to fail to achieve the objectives of the establishment of the Audit Committee to the Board of Directors every year.

This Audit Committee Charter was approved by the Board of Directors on May 13, 2011.

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## **Nomination and Remuneration Committee Charter**

### **1. Composition and qualifications**

1.1 The Nomination and Remuneration Committee shall be appointed by the Board of Directors and consist of at least 3 directors and two of the members of the Nomination and Remuneration Committee shall be non-executive, independent directors.

1.2 The Nomination and Remuneration Committee shall elect one member to be the Chairman.

### **2. Term of office**

2.1 The term of office of each Nomination and Remuneration Committee member is 3 years.

2.2 In order to maintain continuity, members may be re-elected.

### **3. Responsibilities of the Nomination and Remuneration Committee**

3.1 To recommend the structure and composition of the Board and committee together with the qualification of its members.

3.2 To recommend policy and process to recruit knowledgeable and capable persons suitable to nature of business of the company as directors and executives positions.

3.3 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.

3.4 To recommend the list of directors for the committee members of the Company's.

3.5 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.

3.6 To recommend the remuneration structure of the directors and Managing Director of the Company

3.7 To set up the performance evaluation of Management and propose to the Board.

3.8 To evaluate the performance of Managing Director.

3.9 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.

### **4. The Nomination and Remuneration Committee meeting**

4.1 The Nomination and Remuneration Committee meets as the committee considers appropriate.

4.2 Each meeting must be attended by a least 2 of the committee members to constitute a quorum.

4.3 Measures are approved by a majority of the committee members constituting a quorum.

### **5. Reporting**

5.1 The Committee is accountable to the Board of Directors, and shall report its activities (if any) to the Board at every Board meeting.

5.2 The Committee will report to shareholder via annual report to specify some items as follows :

- a) The Nomination and Remuneration Committee's name
- b) Number of The Nomination and Remuneration Committee Meeting
- c) Number of the attendance of each member of committee
- d) Summary of The Nomination and Remuneration Committee's Charter and the principal of remuneration

### **6. Advisors**

6.1 The Nomination and Remuneration Committee may seek professional advice from an outside advisor and the Company shall bear the cost of obtaining such advice subject to the Board's oversight.

This Nomination and Remuneration Committee Charter is effective from January 13, 2010.

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## Report of the Audit Committee

At present, the company audit committee comprises of 4 members of independent directors. They are Mr. Suwat Dusitrojnanawongse, 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 2021 Audit Committee held a total of 4 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 Committees followed up the report of inter-transactions, control and check the inter-transactions of the related person or business to be in the proper way and will disclose that information into the note to the financial statement, "One Report" (Form 56-1, Annual Report) for year 2021 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 Miss Patcharee Siriwongsin or Miss Panita Chotesaengmaneekul the certified auditor of the ANS Audit Co., Ltd. to be an auditor of the company for the year ended as at December 31, 2022.

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 Dusitrojnanawongse*  
*Chairman of the Audit Committee*  
*February 25, 2022*

## Report of the Nomination and Remuneration Committee

To Shareholders,

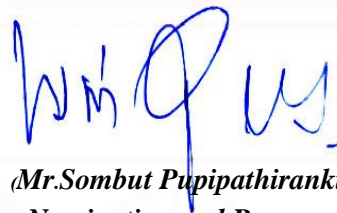
Nomination and Remuneration Committee consists of 3 independent directors, all of whom are not executives of the company as follows:

Name	Position	Participate in the 2021 Meeting
Mr. Sombut Pupipathirunkul	Chairman	2/2
Mr. Piyawudh Senapoopitaksa	Member	2/2
Mr. Suwat Dusitrojjanawongse	Member	2/2

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

For determining the remuneration of the Board of Directors, which are: Director's Bonus and directors' meeting allowances. In this year 2022, the Nomination and Remuneration Committee has determined that the directors' remuneration will be the same as the previous year. Taking into account the situation that the company is experiencing the crisis of the epidemic of the coviral virus that is still together with the appropriateness of the duties and responsibilities assigned and performance. Including the company's performance compared to the same industry and factors that may affect the business or the overall economic condition. The said remuneration has been considered and approved by the Board of Directors.

At present, the Board of Directors consists of 11 members 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 25, 2022*

ASIA HOTEL GROUP

**ANNUAL REPORT**

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