

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Laguna Resorts & Hotels Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Laguna Resorts & Hotels Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Laguna Resorts & Hotels Public Company Limited and its subsidiaries and of Laguna Resorts & Hotels Public Company Limited as at 31 December 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to the following notes to the consolidated financial statements.

- a) Note 3 and Note 4 to the consolidated financial statements regarding the changes in accounting policies due to the adoption of financial reporting standards related to financial instruments and TFRS 16 Leases.
- b) Note 1.2 to the consolidated financial statements. The Coronavirus disease 2019 significantly affects the Group's business activities, particularly operating and financing activities. For hotel business, the hotels had temporarily ceased operations to comply with the government's measures to stop the spread of the COVID-19 pandemic. The Group reopened the hotels in September 2020. For property development business, the Group had to temporarily suspend the construction of several existing property projects due to the lockdown measure in Phuket province where the property projects are located. At present, the Group has resumed the construction of some projects. In terms of financing activities, the Group has obligations with respect to repayment of loans from banks and dividend payments. This is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgment in respect of various issues as the situation has evolved.

- c) Note 3 to the consolidated financial statements, during the year 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 pandemic on valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures which the Group elected to apply under the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions. The Group recognised the resulting losses totaling Baht 235 million as expenses in the consolidated statement of income, and the decreasing of the valuation of assets totaling Baht 227 million as other comprehensive income in the consolidated statement of comprehensive income.

My opinion is not qualified in respect of these matters.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition of property development

Revenue from property development is the most significant amount in the consolidated income statement and it is a key performance indication to which the management and users of the financial statements pay particular attention. In addition, the economic slowdown impacts operating performance of property projects. There are therefore risks with respect to the occurrence of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls related to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls which respond to the above risks.
- Applying a sampling method to select agreements related to revenue recognition to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual revenue transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes and reversals of revenue transactions after the period-end.

- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Fair value measurement of land, buildings and investment properties

Land and buildings are stated at revalued amount and investment properties are stated at fair value. The management arranged for an independent valuer to appraise their fair value. The measurement of fair value is identified as a key audit matter because land, buildings and investment properties are the most significant amounts in the consolidated statement of financial position. In addition, the assessment of fair value required the management to exercise judgement in respect of the key assumptions and estimates, as described in Notes 19 and 20 to the consolidated financial statements. There are therefore risks with respect to the value of land, buildings and investment properties.

I assessed the management's determination of the fair value by performing the following procedures:

- Gaining an understanding of internal controls of the Group relevant to the measurement of fair value of land, buildings and investment properties.
- Evaluating the independence and competence of the independent valuer.
- Evaluating the scope and objectives of the engagement of the independent valuer, together with the appropriateness of valuation model or method and key assumptions used.
- Having discussions with the management and independent valuer and performing a review of key assumptions and methods applied in determination of fair value.
- Comparing the consistency of valuation model or method used and key assumptions with those used in the prior year.
- Reviewing the completeness and correctness of data prepared by management which were used in determination of fair value.
- Reviewing the disclosures related to land, buildings and investment properties in notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 financial statements or my knowledge obtained in the audits, or otherwise appears to be materially misstated.

When I read the annual report of the Group, 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 Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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.

I am responsible for the audit resulting in this independent auditor's report.

Rosaporn Decharkom
Certified Public Accountant (Thailand) No. 5659

EY Office Limited
Bangkok: 24 February 2021

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	7	568,735,346	632,543,523	146,680,693	21,705,541
Trade and other receivables	9	782,756,373	813,940,591	208,490,137	64,262,353
Inventories	11	72,767,038	88,325,038	-	-
Property development cost	12	4,164,706,156	4,138,397,889	111,429,000	111,429,000
Cost to obtain contracts with customers	13	101,311,721	99,982,089	-	-
Other current financial asset		2,268,852	-	2,268,852	-
Other current assets	14	156,911,081	241,838,015	20,055,412	15,194,230
Total current assets		5,849,456,567	6,015,027,145	488,924,094	212,591,124
Non-current assets					
Long-term restricted deposit at financial institution	8	38,034,317	37,872,733	-	-
Long-term fixed deposit		-	2,268,852	-	2,268,852
Other non-current financial assets	18	713,180,950	-	-	-
Long-term trade accounts receivable	15	723,503,500	796,461,495	-	-
Investments in subsidiaries	16	-	-	4,242,655,371	4,242,655,371
Investments in associates	17	960,373,829	981,182,127	777,454,049	777,454,049
Other long-term investments	18	-	606,364,594	-	-
Long-term loans to subsidiaries	10	-	-	1,255,550,000	1,905,550,000
Investment properties	19	1,410,577,067	1,411,202,087	181,602,200	181,619,106
Property, plant and equipment	20	12,653,408,200	13,177,872,310	41,690,319	42,546,018
Right-of-use assets	21	56,541,071	-	3,039,352	-
Deferred tax assets	36	45,009,396	54,198,090	-	-
Goodwill	16	407,903,881	407,903,881	-	-
Leasehold rights	22	-	5,811,485	-	-
Other non-current assets		13,194,120	30,152,248	1,342,353	1,342,353
Total non-current assets		17,021,726,331	17,511,289,902	6,503,333,644	7,153,435,749
Total assets		22,871,182,898	23,526,317,047	6,992,257,738	7,366,026,873

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from financial institutions	23	1,308,804,224	1,117,000,000	670,000,000	650,000,000
Trade and other payables	24	1,396,738,320	1,188,160,411	187,234,234	38,605,983
Current portion of long-term loans from financial institutions	26	737,411,289	899,235,358	26,500,000	37,000,000
Current portion of lease liabilities	21	40,167,609	-	6,017,412	-
Income tax payable		10,195,002	26,851,373	-	-
Advance received from customers		835,916,092	955,996,163	-	175,310
Other current liabilities	25	226,784,672	261,323,369	12,877,535	24,225,492
Total current liabilities		4,556,017,208	4,448,566,674	902,629,181	750,006,785
Non-current liabilities					
Long-term loans from subsidiaries	10	-	-	132,500,000	173,000,000
Long-term loan from related company	10	26,950,000	26,950,000	-	-
Long-term loans from financial institutions, net of current portion	26	4,357,658,451	3,959,091,576	1,327,695,428	1,326,809,446
Provision for long-term employee benefits	27	113,275,550	74,328,953	29,213,460	19,637,813
Long-term provision	28, 46	1,773,685	18,314,159	-	-
Deferred tax liabilities	36	2,810,792,810	2,676,464,668	116,103,823	106,852,652
Lease liabilities, net of current portion	21	38,642,204	-	116,827	-
Other non-current liabilities		213,959,917	110,029,557	34,705,000	5,796,736
Total non-current liabilities		7,563,052,617	6,865,178,913	1,640,334,538	1,632,096,647
Total liabilities		12,119,069,825	11,313,745,587	2,542,963,719	2,382,103,432

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
211,675,358 ordinary shares of Baht 10 each		2,116,753,580	2,116,753,580	2,116,753,580	2,116,753,580
Issued and fully paid-up					
166,682,701 ordinary shares of Baht 10 each		1,666,827,010	1,666,827,010	1,666,827,010	1,666,827,010
Share premium		2,062,460,582	2,062,460,582	2,062,460,582	2,062,460,582
Capital reserve	29	568,130,588	568,130,588	-	-
Retained earnings					
Appropriated - statutory reserve	31	211,675,358	211,675,358	211,675,358	211,675,358
Unappropriated		447,533,915	1,858,942,161	367,017,677	901,647,099
Other components of shareholders' equity		5,675,948,171	5,704,657,240	141,313,392	141,313,392
Equity attributable to owner of the Company		10,632,575,624	12,072,692,939	4,449,294,019	4,983,923,441
Equity attributable to non-controlling interests					
of the subsidiaries		119,537,449	139,878,521	-	-
Total shareholders' equity		10,752,113,073	12,212,571,460	4,449,294,019	4,983,923,441
Total liabilities and shareholders' equity		22,871,182,898	23,526,317,047	6,992,257,738	7,366,026,873
		-	-	-	-

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

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Directors
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Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Revenues	32				
Revenue from hotel operations		1,206,726,678	3,356,259,391	14,010,713	36,296,848
Revenue from property development operations		1,572,726,655	2,568,162,685	-	-
Revenue from office rental operations		35,836,691	91,182,662	9,258,812	21,577,181
Other income	33	19,028,653	104,022,452	109,073,136	1,154,555,335
Total revenues		<u>2,834,318,677</u>	<u>6,119,627,190</u>	<u>132,342,661</u>	<u>1,212,429,364</u>
Expenses					
Cost of hotel operations		1,172,168,715	2,083,085,206	20,768,839	29,434,088
Cost of property development operations		863,035,873	1,486,462,100	-	-
Cost of office rental operations		24,204,509	42,557,058	4,736,496	7,082,740
Selling expenses		228,328,182	476,391,632	5,054,208	2,068,056
Administrative expenses		1,166,730,538	1,359,129,324	116,716,184	173,749,198
Total expenses		<u>3,454,467,817</u>	<u>5,447,625,320</u>	<u>147,275,727</u>	<u>212,334,082</u>
Operating profit (loss)		<u>(620,149,140)</u>	<u>672,001,870</u>	<u>(14,933,066)</u>	<u>1,000,095,282</u>
Share of profit from investments in associates	17	2,626,307	4,779,916	-	-
Finance income		51,728,130	38,193,529	81,085,090	73,143,428
Finance cost	34	(234,822,190)	(132,252,130)	(84,403,957)	(53,474,500)
Profit (loss) before income tax expenses		<u>(800,616,893)</u>	<u>582,723,185</u>	<u>(18,251,933)</u>	<u>1,019,764,210</u>
Income tax expenses	36	(167,597,683)	(224,517,782)	(10,667,964)	491,674
Profit (loss) for the year		<u>(968,214,576)</u>	<u>358,205,403</u>	<u>(28,919,897)</u>	<u>1,020,255,884</u>
Profit (loss) attributable to:					
Equity holders of the Company		(947,298,557)	364,101,439	(28,919,897)	1,020,255,884
Non-controlling interests of the subsidiaries		(20,916,019)	(5,896,036)		
		<u>(968,214,576)</u>	<u>358,205,403</u>		
Basic earnings per share	37				
Profit (loss) attributable to equity holders of the Company		<u>(5.68)</u>	<u>2.18</u>	<u>(0.17)</u>	<u>6.12</u>

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) for the year		<u>(968,214,576)</u>	<u>358,205,403</u>	<u>(28,919,897)</u>	<u>1,020,255,884</u>
Other comprehensive income :					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(253,507)	2,140,604	-	-
Share of other comprehensive income from associates	17	(7,337,587)	(10,544,062)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax		(7,591,094)	(8,403,458)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	27	(27,938,606)	-	(5,103,156)	-
Change in revaluation of assets		(37,585,679)	812,375,853	-	2,270,437
Loss on changes in value of equity investments designated at fair value through other comprehensive income		(188,702,536)	-	-	-
Share of other comprehensive income from associates	17	(4,258,513)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax		(258,485,334)	812,375,853	(5,103,156)	2,270,437
Other comprehensive income for the year		<u>(266,076,428)</u>	<u>803,972,395</u>	<u>(5,103,156)</u>	<u>2,270,437</u>
Total comprehensive income for the year		<u>(1,234,291,004)</u>	<u>1,162,177,798</u>	<u>(34,023,053)</u>	<u>1,022,526,321</u>
Total comprehensive income attributable to:					
Equity holders of the Company		(1,213,149,932)	1,165,764,915	(34,023,053)	1,022,526,321
Non-controlling interests of the subsidiaries		(21,141,072)	(3,587,117)	-	-
		<u>(1,234,291,004)</u>	<u>1,162,177,798</u>		

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements													
Equity attributable to the owners of the Company													
						Other components of shareholders' equity							
						Other comprehensive income							
	Issued and fully paid-up		Retained earnings			Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Gains (loss) on investments in equity value through other comprehensive income	Share of other income from associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
Balance as at 1 January 2019	1,666,827,010	2,062,460,582	568,130,588	211,675,358	3,043,537,032	122,017,702	4,790,813,094	-	9,932,845	4,922,763,641	12,475,394,211	254,019,788	12,729,413,999
Profit (loss) for the year	-	-	-	-	364,101,439	-	-	-	-	-	364,101,439	(5,896,036)	358,205,403
Other comprehensive income for the year	-	-	-	-	-	2,310,045	809,897,493	-	(10,544,062)	801,663,476	801,663,476	2,308,919	803,972,395
Total comprehensive income for the year	-	-	-	-	364,101,439	2,310,045	809,897,493	-	(10,544,062)	801,663,476	1,165,764,915	(3,587,117)	1,162,177,798
Dividend paid (Note 39)	-	-	-	-	(1,568,466,187)	-	-	-	-	-	(1,568,466,187)	-	(1,568,466,187)
Subsidiaries paid dividends to non-controlling interests of subsidiaries (Note 16)	-	-	-	-	-	-	-	-	-	-	-	(110,554,150)	(110,554,150)
Reversal of revaluation surplus on disposal of assets (Note 30)	-	-	-	-	19,769,877	-	(19,769,877)	-	-	(19,769,877)	-	-	-
Balance as at 31 December 2019	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>568,130,588</u>	<u>211,675,358</u>	<u>1,858,942,161</u>	<u>124,327,747</u>	<u>5,580,940,710</u>	<u>-</u>	<u>(611,217)</u>	<u>5,704,657,240</u>	<u>12,072,692,939</u>	<u>139,878,521</u>	<u>12,212,571,460</u>
Balance as at 1 January 2020	1,666,827,010	2,062,460,582	568,130,588	211,675,358	1,858,942,161	124,327,747	5,580,940,710	-	(611,217)	5,704,657,240	12,072,692,939	139,878,521	12,212,571,460
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard (Note 4)	-	-	-	-	(1,080,647)	-	-	274,155,619	-	274,155,619	273,074,972	-	273,074,972
Balance as at 1 January 2020 - as restated	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>568,130,588</u>	<u>211,675,358</u>	<u>1,857,861,514</u>	<u>124,327,747</u>	<u>5,580,940,710</u>	<u>274,155,619</u>	<u>(611,217)</u>	<u>5,978,812,859</u>	<u>12,345,767,911</u>	<u>139,878,521</u>	<u>12,485,646,432</u>
Loss for the year	-	-	-	-	(947,298,557)	-	-	-	-	-	(947,298,557)	(20,916,019)	(968,214,576)
Other comprehensive income for the year	-	-	-	-	(27,938,606)	(28,454)	(37,585,679)	(188,702,536)	(11,596,100)	(237,912,769)	(265,851,375)	(225,053)	(266,076,428)
Total comprehensive income for the year	-	-	-	-	(975,237,163)	(28,454)	(37,585,679)	(188,702,536)	(11,596,100)	(237,912,769)	(1,213,149,932)	(21,141,072)	(1,234,291,004)
Dividend paid (Note 39)	-	-	-	-	(500,042,355)	-	-	-	-	-	(500,042,355)	-	(500,042,355)
Reversal of revaluation surplus on disposal of assets (Note 30)	-	-	-	-	64,951,919	-	(64,951,919)	-	-	(64,951,919)	-	-	-
Additional investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	800,000	800,000
Balance as at 31 December 2020	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>568,130,588</u>	<u>211,675,358</u>	<u>447,533,915</u>	<u>124,299,293</u>	<u>5,478,403,112</u>	<u>85,453,083</u>	<u>(12,207,317)</u>	<u>5,675,948,171</u>	<u>10,632,575,624</u>	<u>119,537,449</u>	<u>10,752,113,073</u>
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up share capital		Retained earnings		Other components of shareholders' equity			
					Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
					Revaluation surplus on assets			
Balance as at 1 January 2019	1,666,827,010	2,062,460,582	211,675,358	1,449,857,402	139,042,955	139,042,955	5,529,863,307	
Profit for the year	-	-	-	1,020,255,884	-	-	1,020,255,884	
Other comprehensive income for the year	-	-	-	-	2,270,437	2,270,437	2,270,437	
Total comprehensive income for the year	-	-	-	1,020,255,884	2,270,437	2,270,437	1,022,526,321	
Dividend paid (Note 39)	-	-	-	(1,568,466,187)	-	-	(1,568,466,187)	
Balance as at 31 December 2019	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>211,675,358</u>	<u>901,647,099</u>	<u>141,313,392</u>	<u>141,313,392</u>	<u>4,983,923,441</u>	
Balance as at 1 January 2020	1,666,827,010	2,062,460,582	211,675,358	901,647,099	141,313,392	141,313,392	4,983,923,441	
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 4)	-	-	-	(564,014)	-	-	(564,014)	
Balance as at 1 January 2020 - as restated	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>211,675,358</u>	<u>901,083,085</u>	<u>141,313,392</u>	<u>141,313,392</u>	<u>4,983,359,427</u>	
Loss for the year	-	-	-	(28,919,897)	-	-	(28,919,897)	
Other comprehensive income for the year	-	-	-	(5,103,156)	-	-	(5,103,156)	
Total comprehensive income for the year	-	-	-	(34,023,053)	-	-	(34,023,053)	
Dividend paid (Note 39)	-	-	-	(500,042,355)	-	-	(500,042,355)	
Balance as at 31 December 2020	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>211,675,358</u>	<u>367,017,677</u>	<u>141,313,392</u>	<u>141,313,392</u>	<u>4,449,294,019</u>	
	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit (loss) before income tax expenses	(800,616,893)	582,723,185	(18,251,933)	1,019,764,210
Adjustments to reconcile profit (loss) before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	478,609,134	411,754,788	10,846,367	8,314,081
Amortisation of leasehold rights	-	2,370,681	-	-
Allowance for expected credit losses/doubtful accounts	26,143,727	805,637	891,186	228,205
Reversal of reduction of inventory to net realisable value	(22,469)	(228,355)	-	-
Reduction of property development cost to net realisable value	22,362,308	-	-	-
Dividend income from investments in subsidiaries	-	-	-	(1,009,560,260)
Dividend income from investment in associates	-	-	(11,838,505)	(28,271,056)
Share of profit from investments in associates	(2,626,307)	(4,779,916)	-	-
Loss (gain) on revaluation of investment properties	625,020	(86,510,317)	16,906	(7,427,794)
Gain on sales of property, plant and equipment	(2,602,309)	(648,330)	(402)	(5,077)
Write off investment property	-	9,672,019	-	9,430,018
Write off property development cost	138,998,517	-	-	-
Write off property, plant and equipment	12,726,610	5,515,715	-	-
Impairment of property, plant and equipment	140,754,205	11,150,454	-	2,919,631
Impairment of right-of-use assets	853,704	-	-	-
Provision for long-term employee benefits	93,611,534	13,603,226	8,178,494	3,503,576
Provision for legal cases	-	1,668,397	-	-
Forfeited money from property units	(3,009,551)	(6,880,452)	-	-
Finance income	(51,728,130)	(38,193,528)	(81,085,090)	(73,143,428)
Finance cost	234,822,190	132,252,130	84,403,957	53,474,500
Profit (loss) from operating activities before changes in operating assets and liabilities	288,901,290	1,034,275,334	(6,839,020)	(20,773,394)
Operating assets (increase) decrease				
Trade and other receivables	5,001,193	(178,807,475)	(75,066,697)	12,731,405
Inventories	15,580,469	13,020,152	-	-
Property development cost	(150,222,014)	(423,472,660)	-	-
Cost to obtain contracts with customers	(1,329,632)	(29,259,815)	-	-
Other current assets	95,174,915	51,154,094	(3,947,440)	6,572,555
Long-term trade accounts receivable	72,957,995	(308,419,047)	-	-
Other non-current assets	417,653	(4,235,025)	-	(300)
Operating liabilities increase (decrease)				
Trade and other payables	87,159,158	262,652,113	18,138,019	1,172,010
Advance received from customers	(120,080,071)	(48,568,629)	(175,310)	(328,537)
Other current liabilities	(23,863,982)	66,781,179	(11,347,957)	16,603,956
Provision for long-term employee benefits	(89,588,194)	(4,766,975)	(4,981,792)	(136,036)
Settlement of long-term provision - provision for legal cases	-	(4,036,149)	-	-
Other non-current liabilities	9,219,962	(11,378,881)	(1,367,243)	(212,074)
Cash flows from (used in) operating activities	189,328,742	414,938,216	(85,587,440)	15,629,585
Interest received	51,767,428	38,306,037	11,032,816	58,740,346
Interest paid	(153,804,841)	(174,833,093)	(51,782,652)	(49,719,041)
Corporate income tax paid	(55,697,237)	(119,417,034)	(913,742)	(6,651,278)
Net cash flows from (used in) operating activities	31,594,092	158,994,126	(127,251,018)	17,999,612

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease in current investment - short-term fixed deposit	-	14,044,883	-	-
Increase in long-term restricted deposits at financial institutions	(161,584)	(37,831,544)	-	-
Increase in long-term fixed deposit	-	(90,652)	-	(90,652)
Cash received from long-term loans to subsidiaries	-	-	1,169,500,000	1,082,500,000
Cash paid for long-term loans to subsidiaries	-	-	(519,500,000)	(2,001,050,000)
Cash paid for acquisition of investment properties	-	(83,625,750)	-	-
Cash received from sales of property, plant and equipment	3,000,101	1,399,970	402	7,196
Cash paid for acquisition of property, plant and equipment	(163,159,669)	(930,554,213)	(7,032,412)	(8,853,400)
Dividend received from investments in subsidiaries	-	-	-	1,009,560,260
Dividend received from investment in associates	11,838,505	28,271,056	11,838,505	28,271,056
Net cash flows from (used in) investing activities	(148,482,647)	(1,008,386,250)	654,806,495	110,344,460
Cash flows from financing activities				
Increase in bank overdraft and short-term loans from financial institutions	191,804,224	667,000,000	20,000,000	410,000,000
Draw down of long-term loans from subsidiaries	-	-	578,500,000	1,137,500,000
Repayment of long-term loans from subsidiaries	-	-	(619,000,000)	(1,398,000,000)
Draw down of long-term loans from financial institutions	789,475,000	2,625,575,804	-	1,293,559,446
Repayment of long-term loans from financial institutions	(547,774,287)	(764,442,539)	(10,500,000)	(3,875,000)
Draw down of long-term loan from related company	-	26,950,000	-	-
Payment of lease liabilities	(12,475,901)	-	(1,586,073)	-
Dividend paid	(369,994,252)	(1,679,020,337)	(369,994,252)	(1,568,466,187)
Cash received from registered share capital of subsidiary - non-controlling interests	800,000	-	-	-
Net cash flows from (used in) financing activities	51,834,784	876,062,928	(402,580,325)	(129,281,741)
Net exchange differences on translation of financial statements in foreign currency	1,245,594	4,194,318	-	-
Net increase (decrease) in cash and cash equivalents	(63,808,177)	30,865,122	124,975,152	(937,669)
Cash and cash equivalents at beginning of year	632,543,523	601,678,401	21,705,541	22,643,210
Cash and cash equivalents at end of year	568,735,346	632,543,523	146,680,693	21,705,541
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Share of other comprehensive income from associates	(11,596,100)	(10,544,062)	-	-
Addition (reversal) of revaluation surplus on assets	(46,982,098)	1,015,469,816	-	2,838,045
Reversal of revaluation surplus on disposal of assets	64,951,919	19,769,877	-	-
Interest recorded as property development cost	6,541,991	35,538,114	-	-
Interest recorded as property, plant and equipment	-	11,382,629	-	-
Transfer of property development cost to property, plant and equipment	24,007,500	303,056,373	-	-
Transfer of property development cost to investment properties	-	17,387,270	-	-
Transfer of property, plant and equipment to property development cost	52,128,275	177,610,341	-	-
Dividend payable	130,048,103	-	130,048,103	-
Addition of right-of-use assets and lease liabilities	512,993	-	-	-

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

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

1.1 Corporate information

Laguna Resorts & Hotels Public Company Limited (“the Company”, “LRH”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Banyan Tree Assets (Thailand) Company Limited, which was incorporated in Thailand. The parent company of the Group is Banyan Tree Holdings Limited, which was incorporated in Singapore.

The Group is principally engaged in the hotel business and property development. There are five hotels in Laguna Phuket, namely Angsana Laguna Phuket, Banyan Tree Phuket, Angsana Villas Resort Phuket, Cassia Phuket and Laguna Holiday Club Phuket Resort, located in Phuket province and one hotel, the Banyan Tree Bangkok, located in Bangkok. The subsidiaries are also engaged in operating golf clubs (Laguna Golf Phuket and Laguna Golf Bintan), sales of merchandise (Banyan Tree Gallery), office and shop rental and sale of holiday club memberships.

The registered office of the Company is at 21/17B, 21/17C, 21/65, 21/66 and 21/68 Thai Wah Tower 1, 7th, 22nd and 24th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 (COVID-19) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. Like almost all businesses in the hospitality industry in Thailand, the COVID-19 pandemic has significantly impacted the Group’s businesses, especially the hotel business.

The Group’s hotels in Phuket province had to cease operations from April to May 2020 to comply with the government’s measures to stop the spread of COVID-19 pandemic. To reduce the Group’s overhead costs, the Group’s hotels in Phuket province continued to remain closed from June to August 2020 due to the lack of tourists and reopened in September 2020 after the Thai Government launched the subsidised travel scheme to stimulate domestic travel in Thailand. To further improve the Group’s hotel business, the Group has launched numerous promotional campaigns through trade fairs and social media by offering attractive value-added hotel packages.

The Group has also taken extensive measures to reduce its overhead expenses through an unpaid leave scheme, delaying unnecessary expenditure, rationalising its workforce, and a corporate restructuring to improve productivity which has significantly reduced its “burn rate”. The Group has also successfully negotiated with its bank to defer loan principle repayments and interest payments at least by 12 months.

In terms of the property development business, the Group had to temporarily suspend the construction of several existing property projects due to the lockdown measure in Phuket province where the property projects are located. The Group has restarted the construction of some of its property projects in June 2020. Despite the pandemic, the Group is continuing to sell properties and in 2020 new properties of more than Baht 1,000 million have been sold to date.

Nevertheless, the COVID-19 pandemic continues to impact the Group’s financial position, operating results, and cash flows at present, including compliance with debt covenants, and is expected to do so in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547. Their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.2 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of Laguna Resorts & Hotels Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 %	2019 %
<u>Subsidiaries directly held by the Company</u>				
Banyan Tree Gallery (Singapore) Pte. Limited	Sale of merchandise	Singapore	51.0	51.0
Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	51.0	51.0
Laguna Banyan Tree Limited ⁽¹⁾	Hotel operations, property development sales and marketing service for holiday club membership	Thailand	100.0	100.0
Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	100.0	100.0
Laguna Grande Limited ⁽²⁾	Operating a golf club and property development	Thailand	100.0	100.0
Laguna Lakes Limited	Property development	Thailand	95.0	95.0
Laguna Service Company Limited ⁽³⁾	Provide utilities and other services to hotels of subsidiaries	Thailand	72.9	72.9
Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
TWR - Holdings Limited	Investment holding and property development	Thailand	100.0	100.0
<u>Subsidiaries held through TWR - Holdings Limited</u>				
Laguna Excursions Limited	Travel operations	Thailand	49.0	49.0
Laguna Village Limited	Dormant company	Thailand	100.0	100.0
Mae Chan Property Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Pai Samart Development Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Phuket Grande Resort Limited	Property development and hotel operations	Thailand	100.0	100.0
PT AVC Indonesia	Holiday club membership and operating a golf club	Indonesia	100.0	100.0
Talang Development Company Limited	Property development	Thailand	50.0	50.0
Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	100.0	100.0
Thai Wah Tower Company Limited	Lease of office building space	Thailand	100.0	100.0
Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Twin Waters Limited	Property development	Thailand	100.0	100.0
<u>Subsidiaries held through Laguna Grande Limited</u>				
Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (3) Limited	Property development	Thailand	100.0	100.0
Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao Laguna Limited	Owns land on which a hotel is situated and property development	Thailand	100.0	100.0
Bangtao Grande Limited	Hotel operations and property development	Thailand	100.0	100.0
Vision 9 Farm Limited	Farming and restaurant	Thailand	60.0	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>				
Cheer Golden Limited	Investment holding	Hong Kong	100.0	100.0

(1) Laguna Banyan Tree Limited is held 49.0% by the Company and 51.0% through Bangtao Grande Limited.

(2) Laguna Grande Limited is held 85.4% by the Company and 14.6% through Laguna Holiday Club Limited and Mae Chan Property Company Limited.

(3) Laguna Service Company Limited is held 24.7% by the Company and 48.2% through Bangtao Grande Limited and Laguna Banyan Tree Limited.

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the income of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

- (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, being 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) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” 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 income statement, statement of comprehensive income and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

In the first quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of property, plant and equipment, investment properties and investments in unquoted equity instruments, impairment of assets and goodwill, and reversal of deferred tax assets.

During the year 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives and recognised the resulting losses totaling Baht 235 million as expenses in the consolidated statement of income. These pertain to a decrease in deferred tax assets of Baht 94 million and an increase in impairment losses of property, plant and equipment of Baht 141 million.

In addition, the Group recognised the decreasing of the valuation of assets totaling Baht 227 million as other comprehensive income in the consolidated statement of comprehensive income. These pertain to a decrease in the fair value of investments in unquoted equity instruments and a decrease in the revaluation surplus on property, plant and equipment of Baht 189 million and Baht 38 million, respectively.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments		1 January 2020
			TFRS 16	
Statement of financial position				
Assets				
Non-current assets				
Other non-current financial assets	-	949,060	-	949,060
Other long-term investments	606,365	(606,365)	-	-
Right-of-use assets	-	-	79,536	79,536
Deferred tax assets	54,198	-	270	54,468
Leasehold rights	5,811	-	(5,811)	-
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	1,188,160	-	(4,969)	1,183,191
Current portion of lease liabilities	-	-	28,643	28,643
Other current liabilities	261,323	-	(9,498)	251,825
Non-current liabilities				
Lease liabilities, net of current portion	-	-	60,900	60,900
Deferred tax liabilities	2,676,465	68,539	-	2,745,004
Shareholders' equity				
Retained earnings - unappropriated	1,858,942	-	(1,081)	1,857,861
Other components of shareholders' equity	5,704,657	274,156	-	5,978,813

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019	The impacts of TFRS 16	1 January 2020
Statement of financial position			
Assets			
Non-current assets			
Right-of-use assets	-	5,998	5,998
Deferred tax assets	-	141	141
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	38,606	(900)	37,706
Current portion of lease liabilities	-	4,120	4,120
Non-current liabilities			
Lease liabilities, net of current portion	-	3,483	3,483
Shareholders' equity			
Retained earnings - unappropriated	901,647	(564)	901,083

4.1 Financial instruments

- a) Details of the impact on other comprehensive income as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Fair value measurement of investments in equity instruments of non-listed companies	274,156	-
Impacts on other comprehensive income due to the adoption of financial reporting standards related to financial instruments	274,156	-

b) The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive		
		income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	632,544	-	632,544	632,544
Trade and other receivables	813,940	-	813,940	813,940
Long-term restricted deposits at financial institution	37,873	-	37,873	37,873
Long-term fixed deposit	2,269	-	2,269	2,269
Long-term trade accounts receivables	796,461	-	796,461	796,461
Other non-current financial asset	606,365	949,060	-	949,060
Total financial assets	2,889,452	949,060	2,283,087	3,232,147

(Unit: Thousand Baht)

Separate financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive		
		income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	21,706	-	21,706	21,706
Trade and other receivables	64,262	-	64,262	64,262
Long-term fixed deposit	2,269	-	2,269	2,269
Long-term loans to subsidiaries	1,905,550	-	1,905,550	1,905,550
Total financial assets	1,993,787	-	1,993,787	1,993,787

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	139,820	9,589
Less: Short-term leases and leases of low-value assets	(10,990)	(139)
Less: Contracts reassessed as service agreements	(34,865)	(2,284)
Add: Accrued rental expenses	4,970	900
Less: Deferred interest expenses	(9,392)	(463)
Lease liabilities as at 1 January 2020	<u>89,543</u>	<u>7,603</u>
Weighted average incremental borrowing rate (% per annum)	4.4%	5.0%
Comprise of:		
Current lease liabilities	28,643	4,120
Non-current lease liabilities	60,900	3,483
	<u>89,543</u>	<u>7,603</u>

5. Significant accounting policies

5.1 Revenue and expense recognition

(a) Revenue from hotel operations

- Revenue from hotel operations, mainly comprises room sales, food and beverage sales and revenue from auxiliary activities, is recognised at a point in time upon completion of the service. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.
- Revenue from sales of merchandise (Gallery operation) is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowance and price promotions to customers.

(b) Revenue from property development operations

- Revenue from the real estate sales

Revenue from sales of real estate is recognised at the point in time when control of the asset is transferred to the buyer, and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold. In addition, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where properties are sold to non-Thais, the land is sold under a long-term lease agreement comprising an initial term of thirty years with an option to extend for two or three successive periods of thirty years each, without any additional consideration to be paid in addition to the sum of the rental paid for the initial lease term. These long-term lease agreements also contain a further option that provides if Thai law permits non-Thais to own land on a freehold basis, the lessor shall consent to sell the land to the lessee in return for a token payment. Consequently, long-term leases are recognised as sales of land for accounting purposes in accordance with the principle of applying substance over form.

- Revenue from sales of furniture

Revenue from sales of furniture is recognised at the point in time when control of furniture is transferred to the buyer, generally when furniture is completely and satisfactorily installed.

- Revenue from services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

(c) Revenue from rental and services

Rental income is recognised over the lease period. Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

(d) Interest income

Interest income is calculated using the effective interest method and recognised in an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

(e) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

(f) Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cost of property development

In determining the cost of property development sold, the anticipated total development cost (after recognising the cost incurred to date) are attributed to units already sold and then recognised as cost in profit or loss.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Inventories

Inventories are valued at the lower of cost and net realisable value, cost being determined on either the first-in, first-out or the weighted average basis.

5.5 Property development cost

Property development cost is valued at the lower of cost and net realisable value. Cost comprises cost of land, design fee, infrastructure, construction and related interest.

5.6 Cost to obtain contracts with customers

The Group recognises commission paid to obtain a customer contract as an asset and amortises to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

5.7 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

5.8 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gains or losses arising from changes in the value of investment properties are recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.9 Property, plant and equipment/Depreciation

Land is stated at its revalued amount. Buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. As a policy, the revaluation will be performed every three years. If within that period, there are factors which may cause significant changes in the value of assets, the revaluation will be performed in that year to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

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

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

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

Building and building improvement	10 - 50	years
Machinery and equipment	5 - 15	years
Furniture, fixtures and motor vehicles	5	years
Operating and office equipment	3 - 5	years
Golf course, land improvement and external work	5 - 50	years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised. The revaluation surplus presented in other components of shareholders' equity has been directly transferred to retained earnings on retirement or disposal of the assets.

5.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Capitalisation rates are calculated based on the weighted average of the interest expenses incurring during the year on loans for development of projects.

5.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.12 Leases

At inception of contract, the Group assesses whether a 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 as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	3 years
Buildings and building improvement	5 years
Machinery and equipment	4 - 5 years
Vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leasehold rights of hotel units are stated at cost less accumulated amortisation and any impairment losses (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over 20 years. The amortisation is included in determining income.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.13 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

5.14 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

5.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items on each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. 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. However, in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

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 unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefits, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.18 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.

5.19 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.

At each reporting date, the Group reviews and reduces 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.

5.20 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

At initial recognition, the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification is recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.21 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 applies 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 measures 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 determines 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.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

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 judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

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 to discount lease liabilities. The incremental borrowing rate 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.

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.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Investment properties

The Group presents investment properties at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment properties using the income approach or the market approach. The key assumptions used in estimating the fair value are described in Note 19.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimated useful lives and residual values when there are any changes.

The Group measures land and buildings at revalued amounts. Such amounts are determined by independent valuer using the market approach for land, the replacement cost approach or the income approach for buildings. The valuation involves certain assumptions and estimates as described in Note 20.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that the recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The Company's and subsidiaries' management has used judgement to assess of the results of the litigation and recorded contingent liabilities under "Long-term provision - provision for legal cases" as at the end of reporting period.

Investments in associates

The management determined that the Company has significant influence over some associates, even though the Company holds less than 20% of its shares. This is because the Company has key representative on the Board of Directors of the investees including participate in policy-making processes.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash	5,684	7,044	138	145
Bank deposits	563,051	625,500	146,543	21,561
Total	568,735	632,544	146,681	21,706

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interest rates between 0.05% and 0.13% per annum (2019: between 0.22% and 0.60% per annum).

8. Long-term restricted deposit at financial institution

The long-term restricted deposit pledged with a financial institution as security for bank guarantee and short-term loans facilities of a subsidiary.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	132,156	223,108	7,291	5,326
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(33,285)	(9,119)	(4,419)	(3,528)
Trade accounts receivable - hotel operations, net	98,871	213,989	2,872	1,798
Trade accounts receivable - sales of property - Installments due	126,351	121,606	-	-
Current portion of long-term trade accounts receivable (Note 15)	335,992	295,637	-	-
Trade accounts receivable - sales of property, net	462,343	417,243	-	-
Trade accounts receivable - sales of holiday club memberships - Installments due and trade accounts receivable from sales and marketing services for holiday club memberships	48,559	41,213	-	-
Current portion of long-term trade accounts receivable (Note 15)	76	484	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing services for holiday club memberships	48,635	41,697	-	-
Less: Allowance for expected credit losses	(17,256)	-	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing services for holiday club memberships, net	31,379	41,697	-	-
Trade accounts receivable, net	592,593	672,929	2,872	1,798
<u>Other receivables</u>				
Amounts due from related parties (Note 10)	80,218	51,504	181,768	29,958
Other receivables	84,899	56,167	2,842	3,713
Insurance claim receivable	325	404	-	-
Accrued other income	3,762	4,376	49	233
Interest receivable	-	39	-	39
Accrued rental	20,959	28,521	20,959	28,521
Total other receivables	190,163	141,011	205,618	62,464
Trade and other receivables, net	782,756	813,940	208,490	64,262

The balances of trade accounts receivable - hotel operations as at 31 December 2020 and 2019, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Age of receivables</u>				
Not yet due	15,749	110,965	155	184
Past due				
Up to 30 days	18,953	64,608	116	325
31 - 60 days	12,320	17,397	28	211
61 - 90 days	3,442	3,171	35	103
91 - 120 days	1,546	7,658	19	56
Over 120 days	80,146	19,309	6,938	4,447
Total	132,156	223,108	7,291	5,326
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(33,285)	(9,119)	(4,419)	(3,528)
Trade accounts receivable - hotel operations, net	<u>98,871</u>	<u>213,989</u>	<u>2,872</u>	<u>1,798</u>

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	9,119	3,528
Additions	25,607	961
Amount written off	(1,441)	(70)
As at 31 December 2020	<u>33,285</u>	<u>4,419</u>

The significant increase in allowance for expected credit losses of trade accounts receivable of Baht 26 million in 2020 was mainly due to trade receivables which past due for more than one year and are not subject to enforcement activity.

The balances of trade accounts receivable - sales of property as at 31 December 2020 and 2019, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Age of receivables</u>				
Not yet due	364,129	378,626	-	-
Past due				
Up to 30 days	39,779	8,689	-	-
31 - 60 days	18,258	7,722	-	-
61 - 90 days	8,545	5,507	-	-
91 - 120 days	9,116	9,274	-	-
Over 120 days	22,516	7,425	-	-
Trade accounts receivable - sales of property, net	<u>462,343</u>	<u>417,243</u>	<u>-</u>	<u>-</u>

The balances of trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships as at 31 December 2020 and 2019, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Age of receivables</u>				
Not yet due	1,205	21,117	-	-
Past due				
Up to 30 days	432	2,248	-	-
31 - 60 days	470	5,287	-	-
61 - 90 days	877	2,707	-	-
91 - 120 days	1,960	3,085	-	-
Over 120 days	43,691	7,253	-	-
Total	48,635	41,697	-	-
Less: Allowance for expected credit losses	(17,256)	-	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships, net	<u>31,379</u>	<u>41,697</u>	<u>-</u>	<u>-</u>

10. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon basis between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(3) agreed basis
Guarantee fee expenses	-	-	7	2	(3) agreed basis
Interest income	-	-	81	73	(5) agreement
Interest expenses	-	-	11	35	(5) agreement
Management fee income	-	-	90	103	(4), (7) agreement
Reimbursement receipts	-	-	-	3	(11) agreed basis
Reimbursement payments	-	-	5	8	(11) agreed basis
Rental and service income	-	-	3	4	(12)(iii) agreement
Rental and service expenses	-	-	6	6	(12)(iv), (v) agreement
Resort service expenses	-	-	5	8	(14) agreed basis
Dividend income	-	-	-	1,010	As declared
<u>Transactions with associates</u>					
Dividend income	-	-	12	28	As declared
Reimbursement receipts	3	6	-	-	(11) agreed basis
Reimbursement payments	1	-	-	-	(11) agreed basis
Rental and service income	15	22	-	-	(12)(iv) agreement
<u>Transactions with related companies</u>					
Credit card commission receipts	-	1	-	-	(1) agreed basis
Inter resort payments	16	64	-	-	(1) agreed basis
Management fee income	5	5	4	4	(15), (16) agreement
Management fee expenses	68	296	-	6	(6), (17) agreement
Purchase of spa and gallery vouchers	2	7	-	1	(2), (8) agreed basis
Sale of goods	4	21	-	-	(9) agreed basis
Reimbursement receipts	41	55	12	7	(11) agreed basis
Reimbursement payments	61	49	1	1	(11) agreed basis
Rental and service income	13	23	-	-	(12)(i), (ii), (iv), (vi) agreement
Rental and service expenses	6	1	-	-	(12)(vii) agreement
Rental return on hotel units	4	4	-	-	(13) agreement
Resort service income	2	5	-	-	(14) agreed basis
Training charges	3	8	-	-	(10) agreed basis
Interest expenses	-	1	-	-	(5), (18) agreement

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<u>Transactions with management and directors</u>					
Rental return on hotel units	-	2	-	-	As actual

The nature, pricing policy and agreements relating to the above transactions are summarised below:

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Laguna Golf Bintan primarily for treatments at the spa, goods purchased at the shops and golf fees at golf course.
- (2) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 55% discount to the Spa price list. The Gallery vouchers are priced at 20% discount to the face value of the voucher.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charged by the working hours and project management service is charged as Note (7).
- (5) Loans between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore, such loans are recorded as non-current assets/liabilities in the statements of financial position.

- (6) The terms of the operating agreements are disclosed in Note 40 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

Royalty fee paid for the use of “Banyan Tree”, “Angsana” and “Cassia” trademarks and all other proprietary rights associated with it.

- (i) Banyan Tree Phuket (Laguna Banyan Tree Limited), Cassia Phuket (Phuket Grande Resort Limited), Angsana Villas Resort Phuket (Bangtao Grande Limited) and Laguna Holiday Club Phuket Resort (Bangtao Grande Limited) pay a royalty fee of 2% of total revenue.
- (ii) Banyan Tree Bangkok (Thai Wah Plaza Limited) and Angsana Laguna Phuket (Bangtao Grande Limited) pay a royalty fee of 3% of total revenue.
- (iii) Banyan Tree Gallery (Thailand) Limited and Banyan Tree Gallery (Singapore) Pte. Ltd. pay a royalty fee of 1% of total revenue.

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of Banyan Tree Phuket pay a technical fee of 7.5% of gross operating profit.
- (v) The Hotel Management Agreement of Banyan Tree Bangkok and Angsana Laguna Phuket pay a hotel management fee of 10% of gross operating profit. Cassia Phuket, Angsana Villas Resort Phuket and Laguna Holiday Club Phuket Resort pay a hotel management fee of 7.5% of gross operating profit.
- (vi) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana and/or Cassia corporate head office shall be charged as follows:
 - Group marketing services shared on a group basis are based on 2% of total actual hotel revenue.
 - Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok, Angsana Laguna Phuket, Angsana Villas Resort Phuket, Cassia Phuket and Laguna Holiday Club Phuket Resort are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

- (7) The Company provides project management services, the contracted fee is set at a rate of 5% of the actual or budgeted costs of the project.
- (8) Purchase of Banyan Tree Spa and Banyan Tree Gallery vouchers for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of issue. The voucher is priced at the face value of the voucher.
- (9) These transactions relate to:
- (i) Sale of goods from Banyan Tree Gallery (Thailand) Limited to related companies is priced at a 15% to 30% discount to the retail price depending on the volume purchased.
 - (ii) Sale of guest and spa supplies of high volume purchases from companies which operate galleries to related companies is priced at cost plus up to 30% and 40% margin.
- (10) Training charges by Banyan Tree Hotels & Resorts (Thailand) Limited in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on actual cost.
- (11) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.
- (12) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in (12)(i).
- (i) Rental and service fee is on the basis of 5% to 10% of sales revenue which is dependent on criteria such as the location, budgeted sales, term of the lease, size of area leased and type of operation.

<u>Payee</u>	<u>Payer</u>	<u>Rental Period</u>	<u>Expiry Date</u>
BGL	BTRS(T)	30 years	November 2041

BGL : Bangtao Grande Limited

BTRS(T) : Banyan Tree Resorts & Spas (Thailand) Company Limited

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,172 per square metre per month.
- (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.

- (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and Banyan Tree Bangkok. The charges include rental and related service fees which are at market rate.
 - (v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 120,847 and Baht 12,085 per rai per annum respectively.
 - (vi) Service income from rental of Banyan Tree Management Academy is at Baht 132,613 per month.
 - (vii) Rental of office space and service of Banyan Tree Gallery (Singapore) Pte. Limited is at SGD 3 per square feet per month.
- (13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.
- (14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- Water supply : at the determined price and actual usage
 - Laundry charge : at the price based on cost plus a certain margin
 - Common area services, : based on actual cost
transportation charges
 - Staff buses : at the price based on cost plus a certain margin
 - Marketing fee : at the rate of 0.75% of the operations' actual revenue
 - Community service : based on actual cost
 - Other services : at the determined price and actual usage
- (15) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources.
- (16) This relates to management fee charge to related companies for providing operational, visual and product training services. The fee are annual fee at SGD according to each agreement plus 15% of gross operating profit.
- (17) This relates to project management services which the fees are based on 10% mark up of actual working hours in providing the service and included all cost.
- (18) Loan from a related company is unsecured and is denominated in Thai Baht. The loans carry interest at a rate 1.5% per annum. The loan is repayable within December 2023.

The Company has contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of its subsidiaries as follows:

	(Unit: Million Baht)	
	2020	2019
Overdrafts and bank guarantee facilities	106	106

Subsidiaries have contingent liabilities in respect of letters of guarantee issued to banks to guarantee facilities of the Group as follows:

	(Unit: Million Baht)	
	2020	2019
Short-term loan facilities	150	150
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	20

As at 31 December 2020 and 2019, the balances of the accounts between the Company and related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Amounts due from related parties				
Subsidiaries	-	-	172,060	25,973
Associated companies	259	169	-	-
Related companies (related by common shareholders)	79,959	51,335	9,708	3,985
Total amounts due from related parties (Note 9)	<u>80,218</u>	<u>51,504</u>	<u>181,768</u>	<u>29,958</u>
Amounts due to related parties				
Subsidiaries	-	-	27,686	10,009
Associated companies	24	24	-	-
Related companies (related by common shareholders)	134,079	150,829	6,207	3,234
Total amounts due to related parties (Note 24)	<u>134,103</u>	<u>150,853</u>	<u>33,893</u>	<u>13,243</u>
Dividend payable (Note 24)				
Related company (related by common shareholders)	<u>130,048</u>	<u>-</u>	<u>130,048</u>	<u>-</u>

Long-term loans to subsidiaries and long-term loans from subsidiaries and related company

As at 31 December 2020 and 2019, the balance of loans between the Company and related companies and the movement are as follows:

Long-term loans to subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2020	Addition	Repayment	31 December 2020
Laguna Banyan Tree Limited	725,000	210,500	(341,500)	594,000
Laguna Holiday Club Limited	224,000	10,000	(58,500)	175,500
Laguna Lakes Limited	300,000	6,000	(13,000)	293,000
Laguna Grande Limited	625,500	293,000	(753,500)	165,000
Laguna (3) Limited	3,000	-	(3,000)	-
Banyan Tree Gallery (Thailand) Limited	28,050	-	-	28,050
Total	1,905,550	519,500	(1,169,500)	1,255,550

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2020	Addition	Repayment	31 December 2020
Laguna (3) Limited	-	14,500	(1,000)	13,500
TWR - Holdings Limited	173,000	564,000	(618,000)	119,000
Total	173,000	578,500	(619,000)	132,500

Long-term loan from related company

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2020	Addition	Repayment	31 December 2020
Banyan Tree Hotels & Resorts (Thailand) Limited	26,950	-	-	26,950
Total	26,950	-	-	26,950

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	65,015	87,727	29,146	42,838
Post-employment benefits	2,696	2,875	1,206	1,429
Other long-term employee benefits	38	32	14	15
Total	67,749	90,634	30,366	44,282

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Food and beverage	16,142	22,864	-	-	16,142	22,864
Finished goods and supplies	57,236	66,443	(611)	(982)	56,625	65,461
Total	73,378	89,307	(611)	(982)	72,767	88,325

12. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Property development cost - net	
	2020	2019	2020	2019	2020	2019
Property for sale under holiday club memberships	230,156	231,701	(25,001)	(2,639)	205,155	229,062
Completed buildings	457,682	532,081	-	-	457,682	532,081
Land	1,902,488	1,924,053	-	-	1,902,488	1,924,053
Property under construction	1,599,381	1,453,202	-	-	1,599,381	1,453,202
Total	4,189,707	4,141,037	(25,001)	(2,639)	4,164,706	4,138,398

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Property development cost - net	
	2020	2019	2020	2019	2020	2019
Land	111,429	111,429	-	-	111,429	111,429
Total	111,429	111,429	-	-	111,429	111,429

During the year, the management reviewed property development cost of suspended projects and determined that the property under construction of Baht 139 million will no longer be developed and have no future benefits to the Group. Hence, such amount was written off and recognised as expenses in the income statement of the current year.

During the year, the Group reduced cost of property for sale under holiday club memberships by Baht 22 million to reflect the net realisable value. This was included in cost of property development operations.

Subsidiaries have mortgaged property development cost amounting to Baht 1,486 million (2019: Baht 1,288 million) as collateral against its credit facilities received from financial institutions.

Certain property development cost has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 6.5 million were capitalised for the year ended 31 December 2020 (2019: Baht 35.5 million). The weighted average rate of 2.18% - 5.53% (2019: 3.67% - 4.93%) has been used to determine the amount of borrowing costs eligible for capitalisation.

13. Costs to obtain contracts with customers

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Balance at beginning of year	99,982	70,722	-	-
Addition during the year	36,390	56,324	-	-
Amortisation as selling expenses	(35,060)	(27,064)	-	-
Balance at end of year	<u>101,312</u>	<u>99,982</u>	<u>-</u>	<u>-</u>

14. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Value added tax	44,280	43,971	3,283	1,355
Prepaid expenses and withholding tax deducted at source	40,162	53,642	2,821	7,118
Advances to suppliers and staff	25,223	37,357	1,323	745
Income tax and VAT refundable	47,246	32,807	12,628	5,976
Deposit for purchase of land and office units for rent	-	74,061	-	-
Total	<u>156,911</u>	<u>241,838</u>	<u>20,055</u>	<u>15,194</u>

15. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

- 15.1 Installments receivable from property sales which bear interest at a rate of 5.0% - 7.0% and MLR plus 0.5% per annum (2019: 3.0% - 7.0% and MLR plus 0.5% per annum) and installments are repaid over a period of 3 to 10 years.
- 15.2 Installments receivable from sales of holiday club memberships which bear interest at a rate of 9.0% per annum and installments are repaid over a period of 5 years.

Long-term trade accounts receivable are due as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Current portion of long-term trade accounts receivable	336,068	296,121
Long-term trade accounts receivable	723,503	796,461
Total	1,059,571	1,092,582
Sales of property		
Within 1 year (Note 9)	335,992	295,637
Over 1 year to 5 years	723,503	796,385
Long-term trade accounts receivable - sales of property	1,059,495	1,092,022
Sales of holiday club memberships		
Within 1 year (Note 9)	76	484
Over 1 year to 5 years	-	76
Long-term trade accounts receivable - sales of holiday club memberships	76	560
Total	1,059,571	1,092,582

16. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<u>Subsidiaries held by the Company</u>						
Banyan Tree Gallery (Singapore) Pte Limited	SGD 0.43	SGD 0.43	51.0	51.0	4.0	4.0
	Million	Million				
Banyan Tree Gallery (Thailand) Limited	7.8	7.8	51.0	51.0	4.0	4.0
Laguna Banyan Tree Limited ⁽¹⁾	1,500.0	1,500.0	100.0	100.0	1,325.1	1,325.1
Laguna Holiday Club Limited	330.0	330.0	100.0	100.0	330.0	330.0
Laguna Grande Limited ⁽²⁾	1,000.0	1,000.0	100.0	100.0	958.5	958.5
Laguna Lakes Limited	1.0	1.0	95.0	95.0	0.9	0.9
Laguna Service Company Limited ⁽³⁾	90.5	90.5	72.9	72.9	22.4	22.4
Laguna (3) Limited	0.1	0.1	100.0	100.0	47.8	47.8
TWR - Holdings Limited	1,550.0	1,550.0	100.0	100.0	1,550.0	1,550.0
<u>Subsidiaries held through TWR - Holdings Limited</u>						
Laguna Excursions Limited	8.0	8.0	49.0	49.0	-	-
Laguna Village Limited	179.0	6.0	100.0	100.0	-	-
Mae Chan Property Company Limited	232.3	232.3	100.0	100.0	-	-
Pai Samart Development Company Limited	28.4	28.4	100.0	100.0	-	-
Phuket Grande Resort Limited	100.0	100.0	100.0	100.0	-	-
PT AVC Indonesia	USD 7.0	USD 7.0	100.0	100.0	-	-
	Million	Million				
Talang Development Company Limited	251.0	251.0	50.0	50.0	-	-
Thai Wah Plaza Limited	2,250.0	2,250.0	100.0	100.0	-	-
Thai Wah Tower Company Limited	455.0	455.0	100.0	100.0	-	-
Thai Wah Tower (2) Company Limited	21.0	21.0	100.0	100.0	-	-
Twin Waters Company Limited	214.4	214.4	100.0	100.0	-	-
<u>Subsidiaries held through Laguna Grande Limited</u>						
Bangtao (1) Limited	20.9	20.9	100.0	100.0	-	-
Bangtao (2) Limited	19.1	19.1	100.0	100.0	-	-
Bangtao (3) Limited	7.8	7.8	100.0	100.0	-	-
Bangtao (4) Limited	14.6	14.6	100.0	100.0	-	-
Bangtao Laguna Limited	80.0	80.0	100.0	100.0	-	-
Bangtao Grande Limited	1,546.0	1,546.0	100.0	100.0	-	-
Vision 9 Farm Limited	2.0	-	60.0	-	-	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>						
Cheer Golden Limited	-	-	100.0	100.0	-	-
Total investments in subsidiaries					4,242.7	4,242.7

(1) Laguna Banyan Tree Limited is held 49.0% by the Company and 51.0% through Bangtao Grande Limited.

(2) Laguna Grande Limited is held 85.4% by the Company and 14.6% through Laguna Holiday Club Limited and Mae Chan Property Company Limited.

(3) Laguna Service Company Limited is held 24.7% by the Company and 48.2% through Bangtao Grande Limited and Laguna Banyan Tree Limited.

During the years, the Company received dividend income from its subsidiaries as detailed below.

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	2020	2019
Laguna (3) Limited	-	32,884
TWR - Holdings Limited	-	747,100
Laguna Grande Limited	-	157,173
Banyan Tree Gallery (Thailand) Limited	-	43,348
Laguna Service Company Limited	-	29,055
Total	-	1,009,560

A subsidiary has a 49% shareholding in Laguna Excursions Limited. However, the subsidiary has recognised its share of the profits of this subsidiary at 100% after deducting the cumulative preferential annual dividend of 15% of the par value of the preference shares, in accordance with the income sharing percentage in the Articles of Association.

During the year, movements of the investments in subsidiaries accounts are summarised below:

- a) On 22 June 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 of Laguna Village Limited approved an increase in the registered capital from Baht 6 million to Baht 179 million through the issuance of an additional 1.73 million ordinary shares with a par value of Baht 100 each. TWR - Holdings Limited made the full payment of addition shares. Laguna Village Limited registered the increase of its share capital with the Ministry of Commerce on 8 July 2020.
- b) On 17 December 2019, Laguna Grande Limited ("LGL", a wholly owned subsidiary) entered into a joint venture agreement with an individual to establish Vision 9 Farm Limited, to engage farming and restaurant in Chiang Mai province. Vision 9 Farm Limited was incorporated as a limited company in Thailand on 8 June 2020 with a registered share capital of Baht 2 million. LGL held 60% of its registered shares and has already made payment amounting to Baht 1.2 million for the shares.

Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Dividend paid to non-controlling interests during the year	
	2020	2019	2020	2019
	(%)	(%)		
Banyan Tree Gallery (Thailand) Company Limited	49.0	49.0	-	41.7
Laguna Services Company Limited	27.1	27.1	-	31.9
Talang Development Company Limited	50.0	50.0	-	37.0
			-	110.6

The Company has goodwill from purchase of shares in subsidiaries as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
	Thai Wah Plaza Limited	56,976
Laguna Banyan Tree Limited	350,928	350,928
Total	407,904	407,904

Goodwill acquired through business combination was related to Thai Wah Plaza Limited and Laguna Banyan Tree Limited. Each entity has been identified as the single cash-generating unit ("CGU") for impairment testing.

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used for value in use calculations are as below:

	Thai Wah Plaza Limited		Laguna Banyan Tree Limited	
	2020	2019	2020	2019
Growth rate (% per annum)	3.19	2.15	8.56	9.80
Discount rate (% per annum)	5.85	7.92	6.41	7.83

Management determined the budgeted growth rate based on past performance and its expectation for market development. The discount rate represents the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets.

With regards to the assessment of value in use, management believes that goodwill is not impaired.

Management believes that any reasonably possible change in the key assumptions on which the units' recoverable amount are based would not cause the units' carrying amount to exceed its recoverable amount.

17. Investments in associates

17.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Tropical Resorts Ltd.	Holding company	Hong Kong	26	26	17,673	17,673	-	-
Less: Allowance for impairment of investment					(17,673)	(17,673)	-	-
					-	-	-	-
Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03	10.03	777,454	777,454	743,475	759,168
Banyan Tree China Pte. Ltd.	Holding company	Singapore	10.69	10.69	173,495	173,495	216,899	222,014
Total investments in associates - net					950,949	950,949	960,374	981,182

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2020	2019	2020	2019
			(%)	(%)		
Thai Wah Public Company Limited	Manufacture and distribution of vermicelli, tapioca starch and other food products	Thailand	10.03	10.03	777,454	777,454
Total					777,454	777,454

Banyan Tree China Pte. Ltd., held by Laguna Banyan Tree Limited, was incorporated in Singapore and is engaged in investment holding.

Tropical Resorts Ltd., held by Laguna Banyan Tree Limited, was incorporated in Hong Kong and is engaged in investment holding.

As at 31 December 2020 and 2019, the Company has pledged the 10 million ordinary shares of Thai Wah Public Company Limited with a bank to secure a long-term loan of the Company.

17.2 Share of comprehensive income and dividend received

During the years, the Company and subsidiary have recognised their share of comprehensive income from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements			
	Share of profit from investments in associates during the years		Share of other comprehensive income from investments in associates during the years	
	2020	2019	2020	2019
Thai Wah Public Company Limited	970	4,263	(4,824)	(10,544)
Banyan Tree China Pte. Ltd.	1,656	517	(6,772)	-
Total	2,626	4,780	(11,596)	(10,544)

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	Dividend received	
	2020	2019
Thai Wah Public Company Limited	11,839	28,271
Total	11,839	28,271

17.3 Fair value investments in a listed associate

In respect of investment in an associated company that is a listed company on the Stock Exchange of Thailand, its fair value is as follows:

(Unit: Million Baht)

Associate	Fair values as at 31 December	
	2020	2019
	Thai Wah Public Company Limited	341

17.4 Summarised financial information about material associates

Summarised information about financial position

	(Unit: Million Baht)			
	Thai Wah Public Company Limited		Banyan Tree China Pte. Ltd.	
	2020	2019	2020	2019
Current assets	3,491	3,243	-	-
Non-current assets	4,635	4,655	2,499	2,552
Current liabilities	(1,007)	(1,009)	-	-
Non-current liabilities	(1,916)	(1,621)	-	-
Non-controlling interests	(311)	(275)	-	-
Net assets	4,892	4,993	2,499	2,552
Shareholding percentage (%)	10.03	10.03	10.69	10.69
Share of net assets	491	501	267	273
Difference in share of net assets and net book value of investment	-	-	(50)	(51)
Difference in fair value of identifiable assets	154	160	-	-
Goodwill	98	98	-	-
Carrying amounts of associates based an equity method	743	759	217	222

Summarised information about comprehensive income

	(Unit: Million Baht)			
	Thai Wah Public Company Limited		Banyan Tree China Pte. Ltd.	
	2020	2019	2020	2019
Revenue	7,200	7,407	-	-
Profit	37	51	15	5
Other comprehensive income	(6)	(108)	(63)	(5)
Total comprehensive income	31	(57)	(48)	-

17.5 Summarised financial information of other associate

	(Unit: Million Baht)	
	For the year ended 31 December	
	Tropical Resorts Ltd.	
	2020	2019
Profit (loss)	(250)	11
Other comprehensive income	159	(201)
Total comprehensive income	(91)	(190)

17.6 Investment in associate with capital deficit

The subsidiary recognised share of losses from investment in Tropical Resorts Ltd., until the value of the investment approached zero. Subsequent losses incurred by this associate has not been recognised in the subsidiary's accounts since the subsidiary has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

Company's name	(Unit: Million Baht)			
	Unrecognised share of losses			
	Share of losses during the years		Cumulative share of losses up to 31 December	
	2020	2019	2020	2019
Tropical Resorts Ltd.	(24)	(49)	(302)	(278)

18. Other non-current financial assets/Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 December 2020	1 January 2020
Non-listed equity instruments		
Bibace Investments Ltd.	375,369	564,998
Banyan Tree Indochina Hospitality Fund, L.P.	337,812	384,062
Total other non-current financial assets	713,181	949,060

The Group has elected to measure these equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments for long-term appreciation.

	(Unit: Thousand Baht)
	Consolidated
	Financial statements
	31 December 2019
Investments in other companies	
Bibace Investments Ltd.	188,425
Banyan Tree Indochina Hospitality Fund, L.P.	417,940
Total other long-term investments	606,365

19. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Land awaiting development / sales	Units in office building and shops for rent (including land)	Construction in progress	Total	Land awaiting development / sales	Units in office building and shops for rent (including land)	Construction in progress	Total
Balance as at								
31 December 2018	191,077	1,032,602	9,672	1,233,351	73,352	100,839	9,430	183,621
Addition	-	83,626	-	83,626	-	-	-	-
Transfer from property development cost	-	17,387	-	17,387	-	-	-	-
Write off	-	-	(9,672)	(9,672)	-	-	(9,430)	(9,430)
Gain on revaluation of investment properties	11,640	74,870	-	86,510	1,419	6,009	-	7,428
Balance as at								
31 December 2019	202,717	1,208,485	-	1,411,202	74,771	106,848	-	181,619
Loss on revaluation of investment properties	-	(625)	-	(625)	-	(17)	-	(17)
Balance as at								
31 December 2020	202,717	1,207,860	-	1,410,577	74,771	106,831	-	181,602

As at 31 December 2020 and 2019, the fair value of the investment properties has been determined based on valuation performed by an independent valuer, using the Market Approach.

Key assumptions used in the valuation are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Price per rai	110 - 16,000	171 - 16,000	Increase in fair value
Price per Sq.m.	32 - 149	-	Increase in fair value

As at 31 December 2020, the subsidiaries have pledged investment properties amounting to approximately Baht 844 million (2019: Baht 837 million) as collateral against credit facilities received from financial institutions and as security deposit for the litigation in Note 46.

20. Property, plant and equipment

Consolidated financial statements

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
At cost										
As at 1 January 2019	1,510,773	5,282,972	432,481	1,766,550	1,147,701	570,733	61,545	197,533	225,148	11,195,436
Additions	9,700	67,880	1,644	32,612	33,086	51,400	603	7,337	737,675	941,937
Disposals and write-off	-	(493)	-	(8,391)	(21,329)	(29,637)	(20,783)	(3,283)	(3,142)	(87,058)
Transfers in/out	-	405,771	1,559	191,761	100,602	36,772	1,584	45,434	(783,483)	-
Transfer to property development cost	(3,105)	(26,141)	-	(4,691)	(10,927)	-	-	-	-	(44,864)
Transfer from property development cost	7,088	263,018	-	-	32,950	-	-	-	-	303,056
Adjustments	(224)	(806)	(726)	(233)	(244)	(203)	-	(79)	(780)	(3,295)
As at 31 December 2019	1,524,232	5,992,201	434,958	1,977,608	1,281,839	629,065	42,949	246,942	175,418	12,305,212
Additions	467	36,828	45	15,032	12,486	21,838	2,770	5,479	68,215	163,160
Disposals and write-off	(245)	(1,033)	(297,368)	(60,589)	(75,672)	(49,896)	(1,332)	(28,678)	(12,664)	(527,477)
Transfers in/out	-	31,504	-	12,649	56,694	4,792	498	1,114	(107,251)	-
Transfer to property development cost	(225)	-	-	-	-	-	-	-	-	(225)
Transfer from property development cost	24,008	-	-	-	-	-	-	-	-	24,008
Adjustments	(281)	(14,716)	(1,074)	130	14,159	2,865	-	(99)	(749)	235
As at 31 December 2020	1,547,956	6,044,784	136,561	1,944,830	1,289,506	608,664	44,885	224,758	122,969	11,964,913

Consolidated financial statements (continued)

Assets carried at cost

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Accumulated depreciation										
As at 1 January 2019	(571)	(1,802,477)	(344,328)	(1,267,320)	(968,267)	(406,078)	(49,220)	(173,405)	-	(5,011,666)
Depreciation charged for the year	-	(166,219)	(11,808)	(94,099)	(70,449)	(56,902)	(3,611)	(6,874)	-	(409,962)
Disposals and write-off	-	328	-	8,195	20,955	29,393	18,636	3,283	-	80,790
Transfer to property development cost	-	8,683	-	3,874	8,321	-	-	-	-	20,878
Adjustments	-	165	37	8	375	156	-	69	-	810
As at 31 December 2019	(571)	(1,959,520)	(356,099)	(1,349,342)	(1,009,065)	(433,431)	(34,195)	(176,927)	-	(5,319,150)
Depreciation charged for the year	(4)	(176,153)	(11,535)	(108,511)	(84,604)	(58,825)	(2,330)	(9,766)	-	(451,728)
Disposals and write-off	244	981	297,368	60,422	75,646	49,682	1,332	28,678	-	514,353
Adjustments	-	917	65	444	(4,318)	(56)	-	99	-	(2,849)
As at 31 December 2020	(331)	(2,133,775)	(70,201)	(1,396,987)	(1,022,341)	(442,630)	(35,193)	(157,916)	-	(5,259,374)
Allowance for impairment loss										
As at 1 January 2019	-	(4,753)	-	-	-	-	-	-	-	(4,753)
Addition	-	(11,150)	-	-	-	-	-	-	-	(11,150)
Adjustments	-	162	-	-	-	-	-	-	-	162
As at 31 December 2019	-	(15,741)	-	-	-	-	-	-	-	(15,741)
Addition	(39,225)	(79,808)	(21,414)	-	-	(307)	-	-	-	(140,754)
Adjustments	-	130	-	-	-	-	-	-	-	130
As at 31 December 2020	(39,225)	(95,419)	(21,414)	-	-	(307)	-	-	-	(156,365)
Net book value - At cost										
As at 1 January 2019	1,510,202	3,475,742	88,153	499,230	179,434	164,655	12,325	24,128	225,148	6,179,017
As at 31 December 2019	1,523,661	4,016,940	78,859	628,266	272,774	195,634	8,754	70,015	175,418	6,970,321
As at 31 December 2020	1,508,400	3,815,590	44,946	547,843	267,165	165,727	9,692	66,842	122,969	6,549,174

Consolidated financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and land improvement	Building and improvement	Golf course	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Revaluation portion										
As at 1 January 2019	5,257,496	130,129	-	-	-	-	-	-	-	5,387,625
Additions	990,724	63,959	-	-	-	-	-	-	-	1,054,683
Transfer to property development cost	(153,460)	(249)	-	-	-	-	-	-	-	(153,709)
As at 31 December 2019	6,094,760	193,839	-	-	-	-	-	-	-	6,288,599
Additions (reversal)	8,081	(104,831)	-	-	-	-	-	-	-	(96,750)
Transfer to property development cost	(51,903)	-	-	-	-	-	-	-	-	(51,903)
Adjustment	-	124	-	-	-	-	-	-	-	124
As at 31 December 2020	6,050,938	89,132	-	-	-	-	-	-	-	6,140,070
Accumulated depreciation										
As at 1 January 2019	-	(39,963)	-	-	-	-	-	-	-	(39,963)
Depreciation of revaluation surplus on assets	-	(1,955)	-	-	-	-	-	-	-	(1,955)
Addition	-	(39,213)	-	-	-	-	-	-	-	(39,213)
Transfer to property development cost	-	83	-	-	-	-	-	-	-	83
As at 31 December 2019	-	(81,048)	-	-	-	-	-	-	-	(81,048)
Depreciation of revaluation surplus on assets	-	(4,514)	-	-	-	-	-	-	-	(4,514)
Reversal	-	49,768	-	-	-	-	-	-	-	49,768
Adjustment	-	(41)	-	-	-	-	-	-	-	(41)
As at 31 December 2020	-	(35,835)	-	-	-	-	-	-	-	(35,835)
Net book value - revaluation portion										
As at 1 January 2019	5,257,496	90,166	-	-	-	-	-	-	-	5,347,662
As at 31 December 2019	6,094,760	112,791	-	-	-	-	-	-	-	6,207,551
As at 31 December 2020	6,050,938	53,297	-	-	-	-	-	-	-	6,104,235
Property, plant and equipment - net										
As at 1 January 2019	6,767,698	3,565,908	88,153	499,230	179,434	164,655	12,325	24,128	225,148	11,526,679
As at 31 December 2019	7,618,421	4,129,731	78,859	628,266	272,774	195,634	8,754	70,015	175,418	13,177,872
As at 31 December 2020	7,559,338	3,868,887	44,946	547,843	267,165	165,727	9,692	66,842	122,969	12,653,409
Depreciation for the year										
2019										411,755
2020										456,112

Separate financial statements

Assets carried at cost

(Unit: Thousand Baht)

	Land and improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
At cost									
As at 1 January 2019	189	26,658	16,195	15,445	36,323	1,527	8,558	7,101	111,996
Additions	-	-	-	616	1,673	-	-	6,565	8,854
Disposals and write-off	-	-	-	(247)	(420)	-	-	-	(667)
Transfer in/out	-	12,284	-	-	-	-	-	(12,284)	-
As at 31 December 2019	189	38,942	16,195	15,814	37,576	1,527	8,558	1,382	120,183
Additions	-	-	1,925	24	547	-	-	4,536	7,032
Disposals and write-off	-	-	-	-	(8)	-	-	-	(8)
As at 31 December 2020	189	38,942	18,120	15,838	38,115	1,527	8,558	5,918	127,207
Accumulated depreciation									
As at 1 January 2019	-	(18,230)	(6,535)	(12,606)	(28,985)	(1,439)	(8,109)	-	(75,904)
Depreciation charged for the year	-	(2,455)	(1,091)	(965)	(3,538)	(32)	(184)	-	(8,265)
Disposals and write-off	-	-	-	245	420	-	-	-	665
As at 31 December 2019	-	(20,685)	(7,626)	(13,326)	(32,103)	(1,471)	(8,293)	-	(83,504)
Depreciation charged for the year	-	(3,439)	(1,156)	(899)	(2,059)	(27)	(181)	-	(7,761)
Disposals and write-off	-	-	-	-	7	-	-	-	7
As at 31 December 2020	-	(24,124)	(8,782)	(14,225)	(34,155)	(1,498)	(8,474)	-	(91,258)
Allowance for impairment loss									
Additions	-	(2,920)	-	-	-	-	-	-	(2,920)
As at 31 December 2019	-	(2,920)	-	-	-	-	-	-	(2,920)
As at 31 December 2020	-	(2,920)	-	-	-	-	-	-	(2,920)
Net book value - At cost									
As at 1 January 2019	189	8,428	9,660	2,839	7,338	88	449	7,101	36,092
As at 31 December 2019	189	15,337	8,569	2,488	5,473	56	265	1,382	33,759
As at 31 December 2020	189	11,898	9,338	1,613	3,960	29	84	5,918	33,029

Separate financial statements (continued)

Assets carried at revalued amount

(Unit: Thousand Baht)

	Land and Land Improvement	Building	Machinery and equipment	Furniture and fixtures	Operating and office equipment	External work	Motor vehicles	Construction in progress	Total
Revaluation portion									
As at 1 January 2019	3,804	4,997	-	-	-	-	-	-	8,801
Additions	444	7,522	-	-	-	-	-	-	7,966
As at 31 December 2019	4,248	12,519	-	-	-	-	-	-	16,767
As at 31 December 2020	4,248	12,519	-	-	-	-	-	-	16,767
Accumulated depreciation									
As at 1 January 2019	-	(2,803)	-	-	-	-	-	-	(2,803)
Depreciation of revaluation surplus on assets	-	(49)	-	-	-	-	-	-	(49)
Additions	-	(5,128)	-	-	-	-	-	-	(5,128)
As at 31 December 2019	-	(7,980)	-	-	-	-	-	-	(7,980)
Depreciation of revaluation surplus on assets	-	(126)	-	-	-	-	-	-	(126)
As at 31 December 2020	-	(8,106)	-	-	-	-	-	-	(8,106)
Net book value - revaluation portion									
As at 1 January 2019	3,804	2,194	-	-	-	-	-	-	5,998
As at 31 December 2019	4,248	4,539	-	-	-	-	-	-	8,787
As at 31 December 2020	4,248	4,413	-	-	-	-	-	-	8,661
Property, plant and equipment - net									
As at 1 January 2019	3,993	10,622	9,660	2,839	7,338	88	449	7,101	42,090
As at 31 December 2019	4,437	19,876	8,569	2,488	5,473	56	265	1,382	42,546
As at 31 December 2020	4,437	16,311	9,338	1,613	3,960	29	84	5,918	41,690
Depreciation for the year									
2019									8,314
2020									7,887

The Group arranged for an independent professional valuer to re-appraise the value of certain assets in the report dated 28 December 2020 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the Market Approach.
- Buildings were revalued using the Replacement Cost Approach or Income Approach.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
Building - Price per square metre (Baht)	1,000 - 78,000	1,000 - 16,000	Increase in fair value
Discount rate (%)	12	-	Decrease in fair value
Average room rate per night (Baht)	7,004	-	Increase in fair value
Land - Price per rai (Million Baht)	2 - 400	18	Increase in fair value

As at 31 December 2020, certain buildings and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation, of those assets amounted to Baht 1,865 million (2019: Baht 2,204 million) (the Company only: Baht 53 million, 2019: Baht 45 million).

During 2019, the Group had an outstanding balance of new buildings under construction amounting to Baht 231 million. The construction has been financed with loans from a financial institution. Borrowing costs amounting to Baht 11 million were capitalised during the year ended 31 December 2019. The weighted average rate of 4.93% has been used to determine the amount of borrowing costs eligible for capitalisation.

The subsidiaries have mortgaged land and buildings at fair value of Baht 8,948 million (2019: Baht 9,135 million) as collateral against credit facilities received from financial institutions.

During the year, the Company recognises an impairment loss for golf course amounting to Baht 28 million to reduce the carrying amount of the assets to the recoverable amount.

21. Leases

21.1 The Group as a lessee

The Group has entered into lease agreements to lease villa/unit and various items of machinery and equipment for use in their hotel operations. The term of agreements are generally between 2 - 6 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings	Machinery and equipment	Motor vehicles	Total
1 January 2020	606	58,509	7,488	12,933	79,536
Additions	-	-	513	-	513
Depreciation for the year	(250)	(19,089)	(2,331)	(827)	(22,497)
Impairment	-	(854)	-	-	(854)
Translation adjustment	-	80	-	-	80
Other adjustments	-	(237)	-	-	(237)
31 December 2020	356	38,409	5,670	12,106	56,541

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings	Machinery and equipment	Motor vehicles	Total
1 January 2020	-	5,998	-	-	5,998
Depreciation for the year	-	(2,959)	-	-	(2,959)
31 December 2020	-	3,039	-	-	3,039

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Lease payments	84,040	-	6,265
Less: Deferred interest expenses	(5,230)	-	(131)	-
Total	78,810	-	6,134	-
Less: Portion due within one year	(40,168)	-	(6,017)	-
Lease liabilities - net of current portion	38,642	-	117	-

A maturity analysis of lease payments is disclosed in Note 44 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	22,497	2,959
Interest expense on lease liabilities	4,162	332
Expense relating to short-term leases	2,990	-
Expense relating to leases of low-value assets	880	42
Expense relating to variable lease payments	44,692	8,345

The Group has lease agreements in respect of cash rewards options for villa/unit rental scheme agreements. The cash reward options are included fixed return or variable return based on actual hotel revenue or hotel profit. The term of the agreements are generally 2 - 6 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 76 million, including the cash outflow related to short-term leases, leases of low-value assets and variable lease payments that do not depend on an index or a rate. Moreover, the Group had non-cash additions to right of use assets and lease liabilities of Baht 0.6 million. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 40.

21.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of office and building of the lease terms are 3 - 5 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 and 2019 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Within 1 year	20,896	27,299	5,160	7,165
Over 1 and up to 5 years	12,955	33,851	3,947	9,107
Total	<u>33,851</u>	<u>61,150</u>	<u>9,107</u>	<u>16,272</u>

22. Leasehold rights

(Unit: Thousand Baht)

	<u>Hotel units</u>
Cost	
As at 1 January 2019	48,124
Exchange rate adjustment	(2,795)
As at 31 December 2019	<u>45,329</u>
Transferred to right-of-use assets	<u>(45,329)</u>
As at 31 December 2020	<u>-</u>
Accumulated amortisation	
As at 1 January 2019	(39,486)
Amortisation for the year	(2,371)
Exchange rate adjustment	2,339
As at 31 December 2019	<u>(39,518)</u>
Transferred to right-of-use assets	<u>39,518</u>
As at 31 December 2020	<u>-</u>
Net book value	
As at 31 December 2019	<u>5,811</u>
As at 31 December 2020	<u>-</u>

Leasehold rights of hotel units are amortised over the term of the lease of 20 years from July 2002 to June 2022.

23. Bank overdraft and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
Bank overdrafts	MOR	26,304	-	-	-
Short-term loans from financial institutions	1.85 - 5.47 (2019: 2.40 - 6.00)	<u>1,282,500</u>	<u>1,117,000</u>	<u>670,000</u>	<u>650,000</u>
Total		<u>1,308,804</u>	<u>1,117,000</u>	<u>670,000</u>	<u>650,000</u>

MOR : Minimum Overdraft Rate

These bank overdrafts and short-term loans from financial institutions are secured by the mortgage of plots of land and buildings of its subsidiaries, as described in Note 20 and by the guarantee provided by subsidiaries.

24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		Financial statements	
	2020	2019	2020	2019
Trade accounts payable	603,354	433,703	4,225	2,046
Accrued construction	5,924	18,122	-	-
Amounts due to related parties (Note 10)	134,103	150,853	33,893	13,243
Accrued expenses	174,125	225,314	13,809	16,220
Dividend payable (Note 10)	130,048	-	130,048	-
Other payables	262,888	231,371	880	263
Service charge payable to hotel staff	5,057	36,783	-	-
Accrued rental to villa owners	81,239	92,014	4,379	6,834
Total	<u>1,396,738</u>	<u>1,188,160</u>	<u>187,234</u>	<u>38,606</u>

25. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Value added tax payable	53,086	65,185	8,076	3,173
Unearned income	27,997	33,467	-	-
Other tax payable	145,702	153,653	4,802	21,052
Short-term provision	-	9,018	-	-
Total	<u>226,785</u>	<u>261,323</u>	<u>12,878</u>	<u>24,225</u>

26. Long-term loans from financial institutions

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>The Company</u>				
(1) Baht loan from a bank, with a facility of Baht 75 million repayable quarterly from April 2017 to January 2025, at an interest rate as follows: 2017 onwards: MLR less 0.75%, 1.25% and 1.5% per annum	67,750	70,250	67,750	70,250
(2) Baht loan from a bank, with a facility of Baht 1,300 million repayable quarterly from February 2020 to November 2028, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	1,292,000	1,300,000	1,292,000	1,300,000
<u>Subsidiaries</u>				
(3) Baht loan from a bank, with a facility of Baht 1,000 million ^(a) repayable quarterly from October 2009 to January 2023, at an interest rate as follows: 2018 onwards: MLR less 0.5% and 0.75% per annum	272,550	339,550	-	-
(4) Baht loan from a bank, with a facility of Baht 800 million repayable quarterly from March 2013 to December 2023, at an interest rate as follows: 2012 onwards: MLR less 1% per annum	240,000	240,000	-	-
(5) Baht loan from a bank, with a facility of Baht 298 million ^(a) repayable quarterly from June 2014 to June 2023, at an interest rate as follows: 2016 onwards: MLR less 1% per annum	73,729	82,729	-	-
(6) Baht loan from a bank, with a facility of Baht 175 million, repayable quarterly from January 2017 to October 2024, at an interest rate as follows: 2015 onwards: MLR less 1%, 1.25% and 1.5% per annum	153,500	157,500	-	-
(7) Baht loan from a bank, with a facility of Baht 100 million, repayable quarterly from December 2016 to September 2023, at an interest rate as follows: 2015 onwards: MLR less 1% and 1.25% per annum	48,000	48,000	-	-
(8) Baht loan from a bank, with a facility of Baht 600 million ^(a) repayable quarterly from June 2016 to March 2021, at an interest rate as follows: 2015 onwards: MLR less 0.75% and 1.25% per annum	-	158,000	-	-
(9) Baht loan from a bank, with a facility of Baht 900 million ^(a) repayable annually from August 2018 to August 2022, at an interest rate as follows: 2015 onwards: MLR less 0.75% and 1.25% per annum	263,949	367,041	-	-
(10) Baht loan from a bank, with a facility of Baht 800 million repayable quarterly from February 2019 to May 2031, at an interest rate as follows: 2018 - 2022: MLR less 1.5% per annum 2023 onwards: MLR less 1.25% per annum	798,750	799,000	-	-
(11) Baht loan from a bank, with a facility of Baht 300 million repayable quarterly from December 2018 to July 2031, at an interest rate as follows: 2018 onwards: MLR less 1.25% and 1.50% per annum	76,619	131,181	-	-

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
(12) Baht loan from a bank, with a facility of Baht 450 million repayable quarterly from August 2017 to May 2024, at an interest rate as follows: 2016 onwards: MLR less 1.0%, 1.25% and 1.5% per annum	305,000	323,000	-	-
(13) Baht loan from a bank, with a facility of Baht 335 million repayable quarterly from November 2019 to August 2028, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	292,680	115,500	-	-
(14) Baht loan from a bank, with a facility of Baht 100 million ^(a) repayable annually from December 2020 to December 2023, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	60,795	32,000	-	-
(15) Baht loan from a bank, with a facility of Baht 400 million repayable quarterly from February 2020 to November 2028, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	398,750	300,000	-	-
(16) Baht loan from a bank, with a facility of Baht 75 million repayable quarterly from July 2019 to April 2027, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	73,500	74,000	-	-
(17) Baht loan from a bank, with a facility of Baht 400 million ^(a) repayable annually from December 2020 to December 2024, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	330,000	329,000	-	-
(18) Baht loan from a bank, with a facility of Baht 600 million ^(a) repayable quarterly from December 2022 to December 2024 at an interest rate as follows: 2020 onwards: MLR less 1.25% and 1.5% per annum	52,000	-	-	-
(19) Baht loan from a bank, with a facility of Baht 135 million ^(a) repayable annually from July 2020 to July 2024 at an interest rate as follows: 2020 onwards: MLR less 1.25% and 1.5% per annum	109,110	-	-	-
(20) Baht loan from a bank, with a facility of Baht 4 million repayable monthly from December 2020 to May 2022 at an interest rate as follows: 2020 onwards: 2.0% per annum	3,770	-	-	-
(21) Baht loan from a bank, with a facility of Baht 480 million ^(a) repayable annually from December 2022 to December 2025, at an interest rate as follows: 2020 onwards: MLR less 1.25% and 1.5% per annum	196,000	-	-	-
Total long-term loans from financial institutions	5,108,452	4,866,751	1,359,750	1,370,250
Less: Deferred financial fees	(13,382)	(8,424)	(5,555)	(6,441)
Long-term loans from financial institutions, net	5,095,070	4,858,327	1,354,195	1,363,809
Less: Current portion	(737,411)	(899,235)	(26,500)	(37,000)
Long-term loans from financial institutions, net of current portion	4,357,659	3,959,092	1,327,695	1,326,809

MLR: Minimum Lending Rate

(a) Also subject to mandatory prepayment in inverse order of maturity upon the ownership transfer of property sales units.

Movement of the long-term loan account during the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2020	4,866,751	1,370,250
Add: Draw down	789,475	-
Less: Repayments	(547,774)	(10,500)
Balance as at 31 December 2020	<u>5,108,452</u>	<u>1,359,750</u>

The additional borrowings during the year are for the property development projects, hotel renovation and supporting liquidity of a subsidiary business.

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 12, 19, 20. The loan in (10) above is guaranteed by the pledge of 10 million ordinary shares of Thai Wah Public Company Limited.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt to equity ratios and debt service coverage ratios at the rate prescribed in the agreements.

As at 31 December 2020, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 1,086 million (2019: Baht 936 million).

During the year, the Group received relief measure from a financial institution for a 1-year grace period on principal repayment of 13 loan agreements. The principal repayment which is postponed during the grace period amounting Baht 406 million.

27. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and other employee benefits plan, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	2020			2019		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Balance at beginning of year	52,494	21,835	74,329	41,994	23,499	65,493
Included in profit or loss:						
Current service cost	2,734	1,633	4,367	4,168	1,205	5,373
Interest cost	856	436	1,292	575	523	1,098
Past service costs and gains or losses on settlement	78,370	(6,100)	72,270	7,132	-	7,132
Actuarial loss arising from						
Demographic assumptions changes	-	6,818	6,818	-	-	-
Financial assumptions changes	-	4,312	4,312	-	-	-
Experience adjustments	-	4,553	4,553	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	27,252	-	27,252	-	-	-
Financial assumptions changes	(537)	-	(537)	-	-	-
Experience adjustments	8,208	-	8,208	-	-	-
Benefits paid during the year	(85,866)	(3,722)	(89,588)	(1,375)	(3,392)	(4,767)
Balance at end of year	83,511	29,765	113,276	52,494	21,835	74,329

(Unit: Thousand Baht)

	Separate financial statements					
	2020			2019		
	Post- employe nt benefits	Other long-term benefits	Total	Post- employe nt benefits	Other long-term benefits	Total
Balance at beginning of year	17,961	1,677	19,638	14,577	1,693	16,270
Included in profit or loss:						
Current service cost	254	81	335	1,255	79	1,334
Interest cost	121	29	150	79	41	120
Past service costs and gains or losses on settlement	6,270	(65)	6,205	2,050	-	2,050
Actuarial loss arising from						
Demographic assumptions changes	-	402	402	-	-	-
Financial assumptions changes	-	779	779	-	-	-
Experience adjustments	-	307	307	-	-	-
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
Demographic assumptions changes	4,097	-	4,097	-	-	-
Financial assumptions changes	(260)	-	(260)	-	-	-
Experience adjustments	2,542	-	2,542	-	-	-
Benefits paid during the year	(4,316)	(666)	(4,982)	-	(136)	(136)
Balance at end of year	26,669	2,544	29,213	17,961	1,677	19,638

The Group expects to pay Baht 24 million of long-term employee benefits during the next year (the Company only: Baht 17 million) (2019: Baht 22 million, the Company: Baht 13 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 10 years (the Company only: 10 years) (2019: 10 years, the Company only: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate (% per annum)	1.40	2.75	1.40	2.75
Salary increase rate (% per annum)	2.00	3.25	2.00	3.25
Gold price (Baht)	26,000	18,500	26,000	18,500

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(2,871)	3,041	(353)	371
Salary increase rate (+/-1.00%)	5,597	(5,063)	917	(854)
Gold Price (+/- 1,000 Baht)	512	(512)	93	(93)

28. Long-term provision

(Unit: Thousand Baht)

	Consolidated financial statement	
	2020	2019
Provision for legal cases		
Balance at beginning of year	18,314	20,682
Increase during the year	105	1,668
Settlement during the year	(16,645)	(4,036)
Balance at end of year	<u>1,774</u>	<u>18,314</u>

29. Capital reserve

The capital reserve relates to the accounting of assets in subsidiaries at their fair values as at the acquisition date and cannot be used for dividend payments.

30. Revaluation surplus

This represents surplus arising from revaluation of property, plant and equipment.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Balance at beginning of year	5,580,941	4,790,813	141,313	139,043
Addition (reversal) of revaluation surplus on assets	(37,586)	809,898	-	2,270
Reversal of revaluation surplus on disposal of assets	(64,952)	(19,770)	-	-
Balance at end of year	<u>5,478,403</u>	<u>5,580,941</u>	<u>141,313</u>	<u>141,313</u>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

31. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

32. Revenue from contracts with customers

32.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Revenue from contract with customers:				
Revenue from hotel operations	1,206,727	3,356,259	14,011	36,297
Revenue from property development operations	1,572,727	2,568,163	-	-
Revenue from office rental operations - service income	7,198	21,979	1,549	2,481
Management fee income	4,392	4,633	94,844	107,432
Total revenue from contract with customers	2,791,044	5,951,034	110,404	146,210
Revenue from office rental operations - rental income	28,638	69,204	7,710	19,096
Dividend income	-	-	11,839	1,037,831
Gain on change in fair value of investment properties	-	86,510	-	7,428
Other	14,637	12,879	2,390	1,864
Total revenue	2,834,319	6,119,627	132,343	1,212,429
Timing of revenue recognition:				
Revenue recognised at a point in time	2,687,395	5,799,271	14,011	36,297
Revenue recognised over time	103,649	151,763	96,393	109,913
Total revenue from contracts with customers	2,791,044	5,951,034	110,404	146,210

32.2 Contract balances and revenue recognised in relation to contract balances

As at 31 December 2020 and 2019, the Group had significant contract balances and revenue recognised in relation to contract balance from hotel and property development operations, which are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Revenue recognised that was included in contract liabilities at the beginning of year	340,133	547,433	-	-

32.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, the Group has revenue from property development operations of Baht 2,473 million which is expected to be recognised as revenue over the next 3 years (2019: Baht 3,086 million which is expected to be recognised as revenue over the next 3 years) as construction of development properties progress.

33. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Dividend income	-	-	11,839	1,037,831
Gain on revaluation of investment properties (Note 19)	-	86,510	-	7,428
Management fee income	4,392	4,633	94,844	107,432
Other	14,637	12,879	2,390	1,864
Total	19,029	104,022	109,073	1,154,555

34. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest expense under effective interest method	230,660	132,252	84,072	53,475
Interest expense on lease liabilities	4,162	-	332	-
Total	234,822	132,252	84,404	53,475

35. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefits	687,995	1,037,431	74,048	108,021
Depreciation	478,609	411,755	10,846	8,314
Rental expenses from operating lease agreements	62,746	205,064	21,085	32,783
Repairs and maintenance	86,858	180,553	1,106	2,525
Water and electricity	102,320	216,093	2,819	4,830
Management fee, incentive fee and royalty fees	47,960	179,444	-	-
Commission	105,437	173,378	-	-
Sales and marketing expenses	144,456	334,806	148	1,274
Food and beverage cost	120,356	337,395	-	-
Increase in land and construction during the year	866,982	1,809,520	-	-
Change in property development cost	(26,308)	(323,058)	-	-

36. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	25,504	82,076	-	-
Adjustment in respect of income tax of previous year	3,289	4,122	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	138,805	138,320	10,668	(492)
Income tax expense reported profit or loss	167,598	224,518	10,668	(492)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax relating to revaluation surplus on assets	(9,396)	203,093	-	568
Deferred tax relating to gain on investments in equity designated at fair value	(47,175)	-	-	-
Deferred tax relating to actuarial loss	(6,985)	-	(1,276)	-

The reconciliation between accounting profit (loss) and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit (loss) before income tax	(800,617)	582,723	(18,252)	1,019,764
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(160,481)	116,452	(3,650)	203,953
Adjustment in respect of income tax of previous year	3,289	4,122	-	-
Write off property development cost and property, plant and equipment	30,345	-	-	-
Effects of:				
Gain on sales of investments in subsidiaries in the Group	-	19,002	-	-
Gain on sales of land in subsidiaries in the Group	-	21,608	-	-
Gain on conversion of loan to share capital of subsidiaries in the Group	-	12,647	-	-
Dividend income	2,368	5,008	-	(207,566)
Unused tax losses	281,077	34,585	13,152	-
Non-taxable expenses	11,000	11,094	1,166	3,121
Total	294,445	103,944	14,318	(204,445)
Income tax expense reported in profit or loss	167,598	224,518	10,668	(492)

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	Consolidated financial statements	
	2020	2019
Deferred tax assets (liabilities)		
Unutilised tax losses	828	97,714
Allowance for expected credit losses	10,405	1,394
Provision for long-term employee benefits	22,305	14,942
Intercompany charges to property development cost and property, plant and equipment	(9,036)	15,360
Other items of deferred tax assets	31,639	30,034
Revaluation surplus on assets	(1,678,646)	(1,675,714)
Temporary differences arising from revenue and cost recognition	(919,954)	(882,500)
Gain on revaluation of investment properties	(225,143)	(223,497)
Leases	1,819	-
Net deferred tax assets (liabilities)	(2,765,783)	(2,622,267)

Reflected in the statements of financial position as follows:

Deferred tax assets	45,009	54,198
Deferred tax liabilities	(2,810,792)	(2,676,465)
Net deferred tax assets (liabilities)	(2,765,783)	(2,622,267)

(Unit: Thousand Baht)

	Statements of financial position	
	Separated financial statements	
	2020	2019
Deferred tax assets (liabilities)		
Unutilised tax losses	-	15,965
Allowance for expected credit losses	884	706
Provision for long-term employee benefits	5,843	3,928
Other items of deferred tax assets	1,075	305
Revaluation surplus on assets	(21,160)	(21,185)
Temporary differences arising from revenue recognition	(76,618)	(80,525)
Gain on revaluation of investment properties	(26,207)	(26,047)
Leases	79	-
Net deferred tax assets (liabilities)	(116,104)	(106,853)

During the year, the Group has reduced deferred tax assets of Baht 94 million (the Company only: Baht 16 million) as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

As at 31 December 2020, the Group has unused tax losses totaling Baht 1,492 million (2019: Baht 452 million), on which deferred tax assets have not been recognised on these amounts as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
31 December 2020	-	95,219	-	-
31 December 2021	159,262	96,617	11,525	-
31 December 2022	159,433	112,668	-	-
31 December 2023	158,213	125,136	27,437	-
31 December 2024	74,306	21,911	-	-
31 December 2025	940,841	-	-	-
	<u>1,492,055</u>	<u>451,551</u>	<u>38,962</u>	<u>-</u>

37. Basic earnings per share

Basic earnings per share is calculated by dividing the profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	(947,299)	364,101	(28,920)	1,020,256
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Earnings (loss) per share (Baht/share)	(5.68)	2.18	(0.17)	6.12

38. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Contributions are made to the fund by both employees and the Group and will be paid to employees upon termination in accordance with the fund rules of the Group's provident fund.

During the years, the contributions were recognised as expenses as following details:

(Unit: Million Baht)

	Fund Manager		Company's contribution in	
	Operation staffs	Office staffs	2020	2019
Laguna Resorts & Hotels Public Company Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	2.0	2.9
Laguna Grande Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	0.7	0.9
Bangtao Grande Limited	SCB Asset Management	-	3.5	4.2
	Company Limited			
Laguna Banyan Tree Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	4.5	6.6
Banyan Tree Gallery (Thailand) Limited	-	MFC Asset Management Plc.	0.4	0.6
Banyan Tree Gallery (Singapore) Pte Limited	-	Central Provident Fund Board	0.3	1.1
Laguna Service Company Limited	-	MFC Asset Management Plc.	1.6	2.2
Laguna Holiday Club Limited	-	MFC Asset Management Plc.	0.5	0.8
Thai Wah Plaza Limited	TISCO Assets Management	MFC Asset Management Plc.	2.8	4.1
	Company Limited			
Laguna Excursions Limited	-	MFC Asset Management Plc.	0.2	0.3
Phuket Grande Resort Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	0.5	0.9

39. Dividends

Dividends declared in 2020 and 2019 consisted of:

Dividend	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Dividends on retained earnings for the year ended 31 December 2019	Annual General Meeting of the shareholders on 27 April 2020	500.04	3.00
Total for 2020		500.04	3.00
Interim dividends on retained earnings for the period ended 30 September 2019	Board of Directors' Meeting on 20 November 2019	1,500.14	9.00
Dividends on retained earnings for the year ended 31 December 2018	Annual General Meeting of the shareholders on 26 April 2019	68.33	0.41
Total for 2019		1,568.47	9.41

40. Commitments

Capital commitment

As at 31 December 2020, the Group has capital commitments as follows:

- (a) The subsidiaries have commitments in respect of constructing new and renovating existing hotel properties and office rental amounting to Baht 101 million (2019: Baht 119 million).
- (b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 1,632 million (2019: Baht 1,396 million).

Operating agreements

As at 31 December 2020, the Group has operating agreements as follows:

- (a) The subsidiaries have entered into operating agreements with certain companies whereby these companies are to operate the subsidiaries' hotel business. In consideration of such services, the subsidiaries are committed to pay remuneration at the rates, terms and basis specified in the agreements. These agreements are summarised below:

Company	Business unit	Operator	Contract period	Fees	
Bangtao Grande Limited	Angsana Laguna Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 30.11.2031	- Royalty fee: 3% of total revenue	
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031	- Management fee: 10% of gross operating profit	
	Angsana Villas Resort Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.8.2016 - 31.7.2041	- Royalty fee: 2% of total revenue	
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.8.2016 - 31.7.2041	- Management fee: 7.5% of gross operating profit	
Laguna Holiday Club Phuket Resort	Laguna Holiday Club Phuket Resort	Banyan Tree Hotels & Resorts Pte. Limited	19.10.2015 - 18.10.2035	- Royalty fee: 2% of total revenue	
		Banyan Tree Hotels & Resorts (Thailand) Limited	19.10.2015 - 18.10.2035	- Management fee: 7.5% of gross operating profit	
	Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2016 - 31.12.2025	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 - 31.12.2025	- Technical fee: 7.5% of gross operating profit	
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2021	- Royalty fee: 3% of total revenue	
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021	- Management fee: 10% of gross operating profit	
Phuket Grande Resort Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040	- Royalty fee: 2% of total revenue	
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040	- Management fee: 7.5% of gross operating profit	
Banyan Tree Gallery (Singapore) Pte. Limited	Gallery	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2009 onwards	- Royalty fee: 1% of total revenue	
Banyan Tree Gallery (Thailand) Limited	Gallery	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2009 onwards	- Royalty fee: 1% of total revenue	

(a) Operator has option to extend for 1 additional period of 10 years.

(b) Operator has option to extend for 1 additional period of 20 years.

(c) Either party may extend the contract period for another 20 years with indefinite number of extension.

- (b) The Group has commitments in respect of cash rewards options including fixed return or variable return for villa/unit rental scheme agreements, as described in Note 21.1 c).

As at 31 December 2019, future minimum payments required under these agreements were as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Payable within:		
In up to 1 year	23	4
In over 1 and up to 5 years	46	4

As a result of the adoption of the TFRS 16 as at 1 January 2020, the Group recognised the lease liabilities previously classified as operating lease, as described in Note 4.

- (c) The Group has entered into several service and lease agreements in respect of office building space, machinery, motor vehicles, golf carts and equipment. The terms of the agreements are generally between 1 - 5 years.

As at 31 December 2019, future minimum lease payments required under these agreements were as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Payable within:		
In up to 1 year	41	2
In over 1 and up to 5 years	30	-

As a result of the adoption of the TFRS 16 as at 1 January 2020, the Group recognised the lease liabilities previously classified as operating lease, as described in Note 4.

As at 31 December 2020, the Group has future minimum payments under service agreement, short-term leases and lease of low-value assets amounting to Baht 18 million (the Company only: Baht 1 million).

- (d) As at 31 December 2020, the Group has future lease payments required under these non-cancellable leases contracts related to villa/unit rental scheme agreements which have not yet commenced as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Payable within:				
In up to 1 year	1	-	-	-
In over 1 and up to 5 years	4	-	-	-

Servitude over land

As at 31 December 2020, some subsidiaries have land servitudes of approximately 11 rai (2019: 11 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

41. Guarantees

As at 31 December 2020, there were bank guarantees amounting to Baht 50 million (the Company only: Baht 0.4 million) issued to various parties on behalf of the Group, mainly provided for the usage of electricity, other utilities and telecommunication channels (2019: Baht 50 million, the Company only: Baht 0.4 million).

42. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have the reportable segments as follows:

- Hotel business segment relates to hotel and restaurant operations including other relating businesses such as golf club and sales of merchandise.
- Property development segment relates to property sales and sale of holiday club memberships.
- Office rental segment relates to rental and service from lands and buildings which managements manage for lease.
- Head office segment relates to expenses incurred by corporate office and is not allocated to other operating segments.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2020 and 2019, respectively.

Intersegment revenues are eliminated on consolidation.

(Unit: Million Baht)

	For the year ended 31 December 2020				Total
	Hotel Business	Property Development	Office Rental	Head Office	
Revenue:					
Segment revenue					
Total revenues	1,296	1,578	46	-	2,920
Intersegment revenues	(89)	(6)	(10)	-	(105)
Revenue from external customers	1,207	1,572	36	-	2,815
Results:					
Segment results	(681)	230	(32)	(156)	(639)
Unallocated income					19
Loss from operations and other income					(620)
Finance income	1	51	-	-	52
Finance cost	(98)	(64)	-	(73)	(235)
Share of profit from investments in associates	-	-	-	3	3
Loss before income tax expenses					(800)
Income tax expenses	(109)	(73)	6	8	(168)
Loss for the year					(968)
Other segment information					
Depreciation of property, plant and equipment	421	25	3	7	456
Depreciation of right-of-use assets	4	18	-	-	22

(Unit: Million Baht)

	For the year ended 31 December 2019				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	3,552	2,574	104	-	6,230
Intersegment revenues	(196)	(6)	(13)	-	(215)
Revenue from external customers	3,356	2,568	91	-	6,015
Results:					
Segment results	4	701	21	(158)	568
Unallocated income					104
Profit from operations and other income					672
Finance income	2	36	-	-	38
Finance cost	(92)	(21)	-	(19)	(132)
Share of profit from investments in associates					5
Profit before income tax expenses					583
Income tax expenses	(33)	(148)	(4)	(40)	(225)
Profit for the year					358
Other segment information					
Depreciation of property, plant and equipment	387	15	3	7	412
Amortisation of leasehold rights	-	2	-	-	2

Revenue from external customers is based on locations of the customers.

(Unit: Million Baht)

	2020	2019
Revenue from external customers		
Thailand	2,785	5,966
Others	30	49
Total	2,815	6,015
Non-current assets other than financial instruments and deferred tax assets		
Thailand	14,512	14,982
Others	30	51
Total	14,542	15,033

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

43. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,411	1,411
Property, plant and equipment - land and building	-	-	11,428	11,428
Non-listed equity investments	-	-	713	713
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	341	-	-	341
	(Unit: Million Baht)			
	Separate financial statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	182	182
Property, plant and equipment - land and building	-	-	21	21
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	341	-	-	341
	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,411	1,411
Property, plant and equipment - land and building	-	-	11,748	11,748
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	369	-	-	369

(Unit: Million Baht)

	Separate financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	182	182
Property, plant and equipment - land and building	-	-	24	24
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	369	-	-	369

44. Financial instruments

44.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash at banks, trade and other receivables, trade and other payables, investments, loans to and loans from. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable from the hotel, space rental, and property development businesses. For the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large and unrelated customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geographical region, product type, customer type and rating. The Group does not hold collateral as security. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are provision for doubtful debts if past due for more than one year and are not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to trading transactions and borrowings that are denominated in foreign currencies.

As at 31 December 2020 and 2019, the balances of the Group's financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements				Separate financial statements				Average exchange rate as at	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	as at		as at		as at		as at		31 December	
	31 December		31 December		31 December		31 December		31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1	1	1	-	-	-	-	-	29.9909	30.1084

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their deposits with financial institutions, trade accounts receivable, long-term trade accounts receivable, trade accounts payables, bank overdrafts and loans. Most of the Group's financial assets and liabilities have floating interest rates or fixed interest rates which are close to the market interest rates. The Group does not use derivative financial instruments to hedge such risk.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2020						
Fixed interest rates						
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	563	6	569	0.05 - 0.13
Trade and other receivables	404	-	1	378	783	3.00 - 9.00 and MLR + 0.5
Other current financial asset	2	-	-	-	2	1.45
Long-term trade accounts receivable	-	723	1	-	724	5.00 - 9.00 and MLR + 0.5
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	1,397	1,397	-
Bank overdraft and short-term loans from financial institutions	189	-	1,120	-	1,309	1.85 - 5.47
Long-term loans from financial institutions	-	-	5,095	-	5,095	2.00 - 4.75
Long-term loans from related company	-	-	27	-	27	1.50

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2020						
Fixed interest rates						
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	147	-	147	0.05 - 0.13
Trade and other receivables	-	-	-	208	208	-
Other current financial asset	2	-	-	-	2	1.45
Long-term loans to subsidiaries	-	-	1,256	-	1,256	4.63
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	187	187	-
Short-term loans from financial institution	20	-	650	-	670	2.00 - 3.63
Long-term loans from subsidiaries	-	-	133	-	133	1.40 - 5.96
Long-term loans from financial institution	-	-	1,354	-	1,354	3.75 - 4.00

(Unit: Million Baht)

Consolidated financial statements						
As at 31 December 2019						
Fixed interest rates						
	Within 1 year	Over 1 year to 5 years	Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
<u>Financial assets</u>						
Cash and cash equivalents	-	-	626	7	633	0.22 - 0.60
Trade and other receivables	343	-	1	470	814	3.00 - 9.00 and MLR + 0.5
Long-term fixed deposit	-	2	-	-	2	1.45
Long-term trade accounts receivable	-	796	1	-	797	3.00 - 9.00 and MLR + 0.5
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	1,188	1,188	-
Short-term loans from financial institutions	37	-	1,080	-	1,117	2.40 - 6.00
Long-term loans from financial institutions	-	-	4,858	-	4,858	4.53 - 5.53
Long-term loans from related company	-	-	27	-	27	1.50

Separate financial statements						
As at 31 December 2019						
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	Interest rate (% per annum)
	Within 1 year	Over 1 year to 5 years				
<u>Financial assets</u>						
Cash and cash equivalents	-	-	22	-	22	0.25 - 0.375
Trade and other receivables	-	-	-	64	64	-
Long-term fixed deposit	-	2	-	-	2	1.45
Long-term loans to subsidiaries	-	-	1,906	-	1,906	5.53
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	39	39	-
Short-term loans from financial institution	-	-	650	-	650	3.53 - 3.60
Long-term loans from subsidiaries	-	-	173	-	173	1.85 - 6.58
Long-term loans from financial institution	-	-	1,364	-	1,364	4.53 - 4.78

Interest rate sensitivity

A possible change in floating interest rates of loans from financial institutions from by 1% may affect the Group's profit before tax by Baht 49 million.

The above analysis has been prepared assuming that the amounts of the floating rate loans from financial institutions, and all other variables remain constant over one year. Moreover, the floating legs of these loans from financial institutions are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. As at 31 December 2020, approximately 37% of the Group's debt will mature in less than one year (2019: 39%) (the Company only: 35%, 2019: 31%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	26,304	1,282,500	-	-	1,308,804
Trade and other payables	-	1,396,738	-	-	1,396,738
Long-term loans	-	737,411	2,403,042	1,967,999	5,108,452
Lease liabilities	-	42,652	41,388	-	84,040
Total	<u>26,304</u>	<u>3,459,301</u>	<u>2,444,430</u>	<u>1,967,999</u>	<u>7,898,034</u>

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Bank overdraft and short-term loans					
from financial institutions	-	670,000	-	-	670,000
Trade and other payables	-	187,234	-	-	187,234
Long-term loans	-	26,500	563,250	770,000	1,359,750
Lease liabilities	-	6,148	117	-	6,265
Total	<u>-</u>	<u>889,882</u>	<u>563,367</u>	<u>770,000</u>	<u>2,223,249</u>

44.2 Fair value of financial instruments

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities, including cash and cash at banks, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- The carrying amounts of short-term and long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

45. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statement of financial position as at 31 December 2020, the Group's debt-to-equity ratio was 1.13:1 (2019: 0.93:1) and the Company's was 0.57:1 (2019: 0.48:1).

46. Litigation

46.1 A case was brought to the Phuket Provincial Court since 2004 in which a contractor (the plaintiff) sued a subsidiary and claimed for compensation and damages from the subsidiary. The plaintiff referred in the plaint that the plaintiff entered into construction contracts with the subsidiary in order to construct 24 houses in Laguna Townhomes II project. The plaintiff completed some of the construction and received some payments from the subsidiary. The construction could not be completed within the completion date of the contracts, therefore, the subsidiary terminated the contract. The plaintiff claimed that the subsidiary did not pay the plaintiff the last 10 payments of their work and did not return the retention to the plaintiff. The subsidiary countered that the plaintiff did not complete the work on the schedule and the subsidiary had to hire another contractor to complete their work. The subsidiary had to pay extra amount to the new contractor, therefore, the subsidiary did not have to pay the plaintiff for the uncompleted work and to return the retention.

In December 2017, the Phuket Provincial Court ordered the subsidiary to return Baht 3.7 million to the plaintiff plus interest 7.5% from the plaint date until the subsidiary has made full payment.

On 18 December 2018, the subsidiary placed Baht 17 million to the Phuket Provincial Court as security for the amount awarded by the Appeal Court.

On 18 February 2019, the subsidiary submitted the appeal statement to the Supreme Court.

As at 31 December 2019, the subsidiary set aside a provision of Baht 17 million for liabilities arising as a result of this case.

On 30 April 2020, the Supreme Court confirmed the judgement of the Appeal Court. The security of Baht 17 million was paid to the plaintiff. Therefore, the case has been finalised.

46.2 Two subsidiaries were sued by a former buyer of property sales project and claimed for refund of her payment in the amount of Baht 4.1 million plus interest 15% calculated from Baht 2.9 million from the plaint date.

On 15 August 2018, the Phuket Provincial Court ordered both subsidiaries to return Baht 1.4 million to the plaintiff plus interest 7.5% from the plaint date until both subsidiaries have made full payment.

On 26 February 2019, the Appeal Court confirmed the judgement of the Phuket Provincial Court.

On 21 June 2019, the subsidiaries submitted the appeal statement to the Supreme Court. This case is now pending on the Supreme Court's consideration.

As at 31 December 2020, the subsidiaries set aside a provision of Baht 1.8 million for liabilities arising as a result of this case (2019: Baht 1.7 million).

46.3 The Company was sued by a former shop lessee that the Company has breached the lease agreement and claimed for compensation of Baht 3.9 million plus interest 7.5% from the plaint date. However, the Phuket Provincial court and the Appeal court dismissed the case. This case is now pending on the Supreme Court's consideration. The Company does not set up provision for this case.

46.4 A subsidiary was sued by a buyer of property sales project and claimed for refund of his payment in the amount of Baht 20.8 million plus interest 7.5% calculated from Baht 17.1 million from the plaint date. Currently, the Phuket Provincial Court schedules for the witness hearing in June 2021. The subsidiary does not set up provision for this case.

47. Events after reporting period

a) On 1 January 2021, the Group has restructured some business operations by transferred spa and gallery operations from a subsidiary and a related company to under the hotel operations. All outlet spa and gallery revenue streams and expenses will be merged with the relevant operating hotels. The value of assets sold to the hotels are based on their net book value plus margin.

b) The Group secured a new working capital loan of Baht 130 million to support the hotels' operating shortfall and capital expenditures. The drawdown would be available on a monthly basis based on the shortfall and capital expenditure requirements. Principal repayment is on a quarterly basis with 2-year grace period while interest payment will be on a monthly basis. Interest rate is at 2% p.a. for the first 2 years and subsequently at MLR -1.5% for the subsequent 5 years.

48. Reclassification

Certain amounts in the financial statements for the year ended 31 December 2019 have been reclassified to conform to the current year's classification but with no effect to previously reported profit (loss) or shareholders' equity. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Income statements				
Revenue from property development operations	-	-	-	350
Other income	104,022	142,215	1,154,555	1,227,348
Finance income	38,193	-	73,143	-

49. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.