

Laguna Resorts & Hotels Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

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 2021, 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 2021, 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 Note 1.2 to the consolidated financial statements. The Coronavirus disease 2019 (COVID-19) pandemic in Thailand is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries, including the Group's business activities. Currently, the Group is able to resume their operations and business activities due to relaxation of COVID-19 measures issued by Thai Government, especially the Phuket Sandbox project which started in July 2021 to reopen the country to foreign visitors. Moreover, on 1 November 2021, Thailand launched "Test & Go" scheme, where fully vaccinated travelers are exempted from quarantine requirements. However, the number of foreign and local customers have not yet been restored as the situation is ongoing. These are significantly impacting 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 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.

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 hotel and property development

Revenue from hotel and 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 the hotel and real estate industry. 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 18 and 19 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.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 22 February 2022

Laguna Resorts & Hotels Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	6	731,928,991	568,735,346	148,700,860	146,680,693
Trade and other receivables	8	679,490,563	782,756,373	274,005,008	208,490,137
Inventories	10	60,150,452	72,767,038	-	-
Property development cost	11	4,172,649,163	4,164,706,156	111,429,000	111,429,000
Cost to obtain contracts with customers	12	151,626,427	101,311,721	-	-
Other current financial asset	13	2,366,917	2,268,852	2,366,917	2,268,852
Other current assets	14	109,394,606	156,911,081	5,425,898	20,055,412
Total current assets		5,907,607,119	5,849,456,567	541,927,683	488,924,094
Non-current assets					
Long-term restricted deposit at financial institution	7	38,101,359	38,034,317	-	-
Other non-current financial assets	13	846,271,547	713,180,950	-	-
Long-term trade accounts receivable	15	471,147,372	723,503,500	-	-
Investments in subsidiaries	16	-	-	4,242,655,371	4,242,655,371
Investments in associates	17	985,618,483	960,373,829	777,454,049	777,454,049
Long-term loans to subsidiaries	9	-	-	1,286,550,000	1,255,550,000
Investment properties	18	1,382,223,342	1,410,577,067	181,602,200	181,602,200
Property, plant and equipment	19	12,329,261,455	12,653,408,200	36,375,900	41,690,319
Right-of-use assets	20	38,467,763	56,541,071	1,292,455	3,039,352
Deferred tax assets	34	35,446,865	45,009,396	-	-
Goodwill	16	407,903,881	407,903,881	-	-
Other non-current assets		45,721,906	13,194,120	9,438,108	1,342,353
Total non-current assets		16,580,163,973	17,021,726,331	6,535,368,083	6,503,333,644
Total assets		22,487,771,092	22,871,182,898	7,077,295,766	6,992,257,738

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	21	1,181,162,030	1,308,804,224	650,000,000	670,000,000
Trade and other payables	22	1,131,976,898	1,396,738,320	200,481,203	187,234,234
Current portion of long-term loans from financial institutions	24	540,074,719	737,411,289	-	26,500,000
Current portion of lease liabilities	20	48,032,696	40,167,609	5,996,204	6,017,412
Income tax payable		15,724,553	10,195,002	-	-
Advance received from customers		1,218,898,193	835,916,092	-	-
Other current liabilities	23	223,188,079	226,784,672	14,587,180	12,877,535
Total current liabilities		4,359,057,168	4,556,017,208	871,064,587	902,629,181
Non-current liabilities					
Long-term loans from subsidiaries	9	-	-	228,500,000	132,500,000
Long-term loan from related company	9	22,950,000	26,950,000	-	-
Long-term loans from financial institutions, net of current portion	24	4,815,629,379	4,357,658,451	1,374,899,977	1,327,695,428
Provision for long-term employee benefits	25	106,801,767	113,275,550	14,340,713	29,213,460
Long-term provision	26, 44	-	1,773,685	-	-
Deferred tax liabilities	34	2,868,319,912	2,810,792,810	116,273,403	116,103,823
Lease liabilities, net of current portion	20	30,171,568	38,642,204	620,413	116,827
Other non-current liabilities		463,058,022	213,959,917	91,968,407	34,705,000
Total non-current liabilities		8,306,930,648	7,563,052,617	1,826,602,913	1,640,334,538
Total liabilities		12,665,987,816	12,119,069,825	2,697,667,500	2,542,963,719

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
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	27	568,130,588	568,130,588	-	-
Retained earnings					
Appropriated - statutory reserve	29	211,675,358	211,675,358	211,675,358	211,675,358
Unappropriated		(556,050,684)	447,533,915	297,351,924	367,017,677
Other components of shareholders' equity		5,750,603,029	5,675,948,171	141,313,392	141,313,392
Equity attributable to owner of the Company		9,703,645,883	10,632,575,624	4,379,628,266	4,449,294,019
Equity attributable to non-controlling interests					
of the subsidiaries		118,137,393	119,537,449	-	-
Total shareholders' equity		9,821,783,276	10,752,113,073	4,379,628,266	4,449,294,019
Total liabilities and shareholders' equity		22,487,771,092	22,871,182,898	7,077,295,766	6,992,257,738
		-	-	-	-

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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues	30				
Revenue from hotel operations		688,006,154	1,206,726,678	-	14,010,713
Revenue from property development operations		741,762,370	1,572,726,655	-	-
Revenue from office rental operations		27,201,935	35,836,691	4,040,997	9,258,812
Other income	31	31,930,043	19,028,653	76,509,986	109,073,136
Total revenues		<u>1,488,900,502</u>	<u>2,834,318,677</u>	<u>80,550,983</u>	<u>132,342,661</u>
Expenses					
Cost of hotel operations		864,704,677	1,172,168,715	-	20,768,839
Cost of property development operations		403,447,404	863,035,873	-	-
Cost of office rental operations		19,786,476	24,204,509	4,376,781	4,736,496
Selling expenses		140,417,665	228,328,182	207,402	5,054,208
Administrative expenses		863,444,259	1,166,730,538	126,129,429	116,716,184
Total expenses		<u>2,291,800,481</u>	<u>3,454,467,817</u>	<u>130,713,612</u>	<u>147,275,727</u>
Operating loss		<u>(802,899,979)</u>	<u>(620,149,140)</u>	<u>(50,162,629)</u>	<u>(14,933,066)</u>
Share of profit from investments in associates	17	31,668,870	2,626,307	-	-
Finance income		47,643,592	51,728,130	57,018,505	81,085,090
Finance cost	32	(233,775,187)	(234,822,190)	(76,352,049)	(84,403,957)
Loss before income tax expenses		<u>(957,362,704)</u>	<u>(800,616,893)</u>	<u>(69,496,173)</u>	<u>(18,251,933)</u>
Income tax expenses	34	(73,351,136)	(167,597,683)	(169,580)	(10,667,964)
Loss for the year		<u>(1,030,713,840)</u>	<u>(968,214,576)</u>	<u>(69,665,753)</u>	<u>(28,919,897)</u>
Profit (loss) attributable to:					
Equity holders of the Company		(1,031,757,438)	(947,298,557)	(69,665,753)	(28,919,897)
Non-controlling interests of the subsidiaries		1,043,598	(20,916,019)		
		<u>(1,030,713,840)</u>	<u>(968,214,576)</u>		
Earning per share	35				
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(6.19)</u>	<u>(5.68)</u>	<u>(0.42)</u>	<u>(0.17)</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 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Loss for the year		<u>(1,030,713,840)</u>	<u>(968,214,576)</u>	<u>(69,665,753)</u>	<u>(28,919,897)</u>
Other comprehensive income (loss) :					
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(9,234,718)	(253,507)	-	-
Share of other comprehensive income (loss) from associates	17	5,651,048	(7,337,587)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax		<u>(3,583,670)</u>	<u>(7,591,094)</u>	-	-
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	25	-	(27,938,606)	-	(5,103,156)
Change in revaluation of assets		-	(37,585,679)	-	-
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income		106,472,478	(188,702,536)	-	-
Share of other comprehensive income (loss) from associates	17	<u>(236,760)</u>	<u>(4,258,513)</u>	-	-
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods, net of income tax		<u>106,235,718</u>	<u>(258,485,334)</u>	-	<u>(5,103,156)</u>
Other comprehensive income (loss) for the year		<u>102,652,048</u>	<u>(266,076,428)</u>	-	<u>(5,103,156)</u>
Total comprehensive income (loss) for the year		<u>(928,061,792)</u>	<u>(1,234,291,004)</u>	<u>(69,665,753)</u>	<u>(34,023,053)</u>
Total comprehensive income (loss) attributable to:					
Equity holders of the Company		(928,929,741)	(1,213,149,932)	<u>(69,665,753)</u>	<u>(34,023,053)</u>
Non-controlling interests of the subsidiaries		<u>867,949</u>	<u>(21,141,072)</u>		
		<u>(928,061,792)</u>	<u>(1,234,291,004)</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 2021

(Unit: Baht)

Consolidated financial statements																
Equity attributable to the owners of the Company																
	Retained earnings					Other components of shareholders' equity						Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity		
						Other comprehensive income									Total equity attributable to shareholders of the Company	Total equity attributable to non-controlling interests of the subsidiaries
						Issued and fully paid-up share capital	Share premium	Capital reserve	Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency					
Balance as at 1 January 2020	1,666,827,010	2,062,460,582	568,130,588	211,675,358	1,857,861,514							124,327,747	5,580,940,710	274,155,619	(611,217)	5,978,812,859
Loss for the year	-	-	-	-	(947,298,557)	-	-	-	-	-	(947,298,557)	(20,916,019)	(968,214,576)			
Other comprehensive income (loss) 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 (loss) 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 37)	-	-	-	-	(500,042,355)	-	-	-	-	-	(500,042,355)	-	(500,042,355)			
Reversal of revaluation surplus on disposal of assets (Note 28)	-	-	-	-	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>			
Balance as at 1 January 2021	1,666,827,010	2,062,460,582	568,130,588	211,675,358	447,533,915	124,299,293	5,478,403,112	85,453,083	(12,207,317)	5,675,948,171	10,632,575,624	119,537,449	10,752,113,073			
Profit (loss) for the year	-	-	-	-	(1,031,757,438)	-	-	-	-	-	(1,031,757,438)	1,043,598	(1,030,713,840)			
Other comprehensive income (loss) for the year	-	-	-	-	-	(9,059,069)	-	106,472,478	5,414,288	102,827,697	102,827,697	(175,649)	102,652,048			
Total comprehensive income (loss) for the year	-	-	-	-	(1,031,757,438)	(9,059,069)	-	106,472,478	5,414,288	102,827,697	(928,929,741)	867,949	(928,061,792)			
Subsidiary paid dividend to non-controlling interests of subsidiary (Note 16)	-	-	-	-	-	-	-	-	-	-	-	(2,268,005)	(2,268,005)			
Reversal of revaluation surplus on disposal of assets (Note 28)	-	-	-	-	28,172,839	-	(28,172,839)	-	-	(28,172,839)	-	-	-			
Balance as at 31 December 2021	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>568,130,588</u>	<u>211,675,358</u>	<u>(556,050,684)</u>	<u>115,240,224</u>	<u>5,450,230,273</u>	<u>191,925,561</u>	<u>(6,793,029)</u>	<u>5,750,603,029</u>	<u>9,703,645,883</u>	<u>118,137,393</u>	<u>9,821,783,276</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 2021

(Unit: Baht)

Separate financial statements

	Issued and fully paid-up		Retained earnings		Other components of shareholders' equity		
					Other comprehensive income	Total other components of shareholders' equity	Total shareholders' equity
share capital	Share premium	Appropriated - statutory reserve	Unappropriated				
Balance as at 1 January 2020	1,666,827,010	2,062,460,582	211,675,358	901,083,085	141,313,392	141,313,392	4,983,359,427
Loss for the year	-	-	-	(28,919,897)	-	-	(28,919,897)
Other comprehensive income (loss) for the year	-	-	-	(5,103,156)	-	-	(5,103,156)
Total comprehensive income (loss) for the year	-	-	-	(34,023,053)	-	-	(34,023,053)
Dividend paid (Note 37)	-	-	-	(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>
Balance as at 1 January 2021	1,666,827,010	2,062,460,582	211,675,358	367,017,677	141,313,392	141,313,392	4,449,294,019
Loss for the year	-	-	-	(69,665,753)	-	-	(69,665,753)
Other comprehensive income (loss) for the year	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	(69,665,753)	-	-	(69,665,753)
Balance as at 31 December 2021	<u>1,666,827,010</u>	<u>2,062,460,582</u>	<u>211,675,358</u>	<u>297,351,924</u>	<u>141,313,392</u>	<u>141,313,392</u>	<u>4,379,628,266</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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Loss before income tax expenses	(957,362,704)	(800,616,893)	(69,496,173)	(18,251,933)
Adjustments to reconcile loss before income tax expenses to net cash provided by (paid from) operating activities:				
Depreciation	449,608,531	478,609,134	8,606,828	10,846,367
Allowance for expected credit losses	68,892,437	26,143,727	2,391,045	891,186
Reduction of inventory to net realisable value (reversal)	2,639,800	(22,469)	-	-
Reduction of property development cost to net realisable value (reversal)	(373,414)	22,362,308	-	-
Dividend income from investment in subsidiary	-	-	(2,493,900)	-
Dividend income from investment in associates	-	-	(11,838,505)	(11,838,505)
Share of profit from investments in associates	(31,668,870)	(2,626,307)	-	-
Loss on revaluation of investment properties	-	625,020	-	16,906
Gain on sales of property, plant and equipment	(13,690,002)	(2,602,309)	(38,592)	(402)
Write off property development cost	-	138,998,517	-	-
Write off property, plant and equipment	2,589,759	12,726,610	2,587,689	-
Impairment of property, plant and equipment	-	140,754,205	-	-
Impairment of right-of-use assets	1,241,540	853,704	-	-
Deferred gain on right-of-use assets	4,261,677	-	-	-
Provision for long-term employee benefits (reversal)	6,721,888	93,611,534	(7,016,325)	8,178,494
Reversal of provision for legal case	(355,274)	-	-	-
Forfeited money from property units	-	(3,009,551)	-	-
Finance income	(47,643,592)	(51,728,130)	(57,018,505)	(81,085,090)
Finance cost	233,775,187	234,822,190	76,352,049	84,403,957
Profit (loss) from operating activities before changes in operating assets and liabilities	(281,363,037)	288,901,290	(57,964,389)	(6,839,020)
Operating assets (increase) decrease				
Trade and other receivables	34,373,373	5,001,193	(26,361,963)	(75,066,697)
Inventories	9,976,786	15,580,469	-	-
Property development cost	5,167,170	(150,222,014)	-	-
Cost to obtain contracts with customers	(50,314,706)	(1,329,632)	-	-
Other current assets	37,213,761	95,174,915	9,933,145	(3,947,440)
Long-term trade accounts receivable	252,356,128	72,957,995	-	-
Other non-current assets	(32,527,786)	417,653	(8,095,755)	-
Operating liabilities increase (decrease)				
Trade and other payables	(264,807,296)	87,159,158	7,631,215	18,138,019
Advance received from customers	382,982,101	(120,080,071)	-	(175,310)
Other current liabilities	2,787,301	(23,863,982)	2,076,597	(11,347,957)
Cash paid for provision for long-term employee benefits	(13,195,671)	(89,588,194)	(7,856,422)	(4,981,792)
Cash paid for long-term provision legal case	(1,418,411)	-	-	-
Other non-current liabilities	89,444,465	9,219,962	6,103,408	(1,367,243)
Cash flows from (used in) operating activities	170,674,178	189,328,742	(74,534,164)	(85,587,440)
Cash received from interest income	47,643,592	51,767,428	15,474,552	11,032,816
Cash received from income tax refund	14,082,488	-	5,958,054	-
Cash paid for interest expenses	(80,557,237)	(153,804,841)	(18,767,097)	(51,782,652)
Cash paid for income tax	(35,164,177)	(55,697,237)	(1,261,685)	(913,742)
Net cash flows from (used in) operating activities	116,678,844	31,594,092	(73,130,340)	(127,251,018)

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 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Increase in long-term restricted deposits at financial institutions	(67,042)	(161,584)	-	-
Increase in fixed deposit	(98,065)	-	(98,065)	-
Cash received from long-term loans to subsidiaries	-	-	271,000,000	1,169,500,000
Cash paid for long-term loans to subsidiaries	-	-	(302,000,000)	(519,500,000)
Dividend received from investment in subsidiary	-	-	2,493,900	-
Dividend received from investment in associates	11,838,505	11,838,505	11,838,505	11,838,505
Cash received from sales of property, plant and equipment	22,099,233	3,000,101	38,598	402
Cash paid for acquisition of property, plant and equipment	(85,570,568)	(163,159,669)	(2,710,602)	(7,032,412)
Net cash flows from (used in) investing activities	(51,797,937)	(148,482,647)	(19,437,664)	654,806,495
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(2,142,194)	191,804,224	-	20,000,000
Draw down of long-term loans from subsidiaries	-	-	596,000,000	578,500,000
Repayment of long-term loans from subsidiaries	-	-	(500,000,000)	(619,000,000)
Draw down of long-term loans from financial institutions	462,775,000	789,475,000	-	-
Repayment of long-term loans from financial institutions	(329,208,810)	(547,774,287)	-	(10,500,000)
Repayment of long-term loans from related company	(4,000,000)	-	-	-
Payment of lease liabilities	(15,556,479)	(12,475,901)	(1,411,829)	(1,586,073)
Dividend paid	(2,268,005)	(369,994,252)	-	(369,994,252)
Cash received from registered share capital of subsidiary - non-controlling interests	-	800,000	-	-
Net cash flows from (used in) financing activities	109,599,512	51,834,784	94,588,171	(402,580,325)
Net exchange differences on translation of financial statements in foreign currency	(11,286,774)	1,245,594	-	-
Net increase (decrease) in cash and cash equivalents	163,193,645	(63,808,177)	2,020,167	124,975,152
Cash and cash equivalents at beginning of year	568,735,346	632,543,523	146,680,693	21,705,541
Cash and cash equivalents at end of year (Note 6)	731,928,991	568,735,346	148,700,860	146,680,693
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Share of other comprehensive income (loss) from associates	5,414,288	(11,596,100)	-	-
Decrease in revaluation surplus on assets	-	(46,982,098)	-	-
Reversal of revaluation surplus on disposal of assets	28,172,839	64,951,919	-	-
Interest recorded as property development cost	12,736,763	6,541,991	-	-
Addition of right-of-use assets and lease liabilities	11,850,872	512,993	1,789,557	-
Transfer of property development cost to property, plant and equipment	-	24,007,500	-	-
Transfer of property, plant and equipment to property development cost	-	52,128,275	-	-
Transfer of investment properties to property, plant and equipment	28,353,725	-	-	-
Dividend payable	-	130,048,103	-	130,048,103
Reclassify short-term loans from financial institutions to long-term loans from financial institutions	125,500,000	-	20,000,000	-

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 2021

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 is incorporated in Thailand. The parent company of the Group is Banyan Tree Holdings Limited, which is 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), spa, 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.

On 1 July 2021, the Phuket Sandbox has been commenced and the Group has been one of the spearheads, together with government authorities, our peers in the tourism sector and all our staffs, in collaborating and leading the “Phuket Sandbox” initiatives, with an utmost attempt to bring back tourism momentum to Phuket and Thailand.

On 1 November 2021, Thailand launched “Test & Go” scheme, where fully vaccinated travelers are exempted from quarantine requirements. 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 restructure its principal loan repayments and interest payments to a long term repayment plan as well as new loans to ensure stronger liquidity position.

In terms of the property development business, the Group has still performed the construction of some of its property projects during the year. Despite the pandemic, the Group is able to sell new properties continuously.

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	
			2021 %	2020 %
<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 Jobs Co., Ltd. ⁽⁴⁾	Employment services	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	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.

(4) Formerly known as "Laguna Village Limited". The subsidiary changed its name and registered the change with the Ministry of Commerce on 14 December 2021.

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

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 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, allowances 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 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 on 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) Dividends income

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

(f) Finance cost

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

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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 Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's 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.

4.10 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.

4.11 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.

4.12 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

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
Pier	3 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.

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.

4.13 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.

4.14 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 associates, 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.

4.15 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.

4.16 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 investment properties 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.

4.17 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 plans, 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.

4.18 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.

4.19 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.

4.20 Financial instruments

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.

Classification and measurement of financial liabilities

Except for derivative 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 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 as credit impaired or 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.

ECLs are calculated 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.

4.21 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.

5. 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:

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 18.

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 19.

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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Cash	4,535	5,684	148	138
Bank deposits	727,394	563,051	148,553	146,543
Total	731,929	568,735	148,701	146,681

As at 31 December 2021, bank deposits in saving accounts carried interest rates between 0.05% and 0.13% per annum (2020: between 0.05% and 0.13% per annum).

7. 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.

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	164,893	132,156	7,554	7,291
Less: Allowance for expected credit losses	(45,681)	(33,285)	(6,810)	(4,419)
Trade accounts receivable - hotel operations, net	119,212	98,871	744	2,872
Trade accounts receivable - sales of property				
- installments due	74,318	126,351	-	-
Current portion of long-term trade				
accounts receivable	306,027	335,992	-	-
Less: Deferred interest income	(3,364)	-	-	-
Current portion of long-term trade accounts receivable, net				
(Note 15)	302,663	335,992	-	-
Trade accounts receivable - sales of property, net	376,981	462,343	-	-
Trade accounts receivable - sales of holiday club				
memberships - installments due and trade accounts				
receivable from sales and marketing services for				
holiday club memberships	62,691	48,559	-	-
Current portion of long-term trade				
accounts receivable (Note 15)	-	76	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services for				
holiday club memberships	62,691	48,635	-	-
Less: Allowance for expected credit losses	(48,360)	(17,256)	-	-
Trade accounts receivable - sales of holiday club				
memberships and sales and marketing services for				
holiday club memberships, net	14,331	31,379	-	-
Trade accounts receivable, net	510,524	592,593	744	2,872

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Other receivables</u>				
Amounts due from related parties (Note 9)	88,939	80,218	265,323	181,768
Villa owner receivables	80,545	79,088	2,210	2,389
Accrued rental income	5,364	20,959	5,364	20,959
Other receivables	19,512	9,898	364	502
Total other receivables	194,360	190,163	273,261	205,618
Less: Allowance for expected credit losses	(25,393)	-	-	-
Total other receivables, net	168,967	190,163	273,261	205,618
Trade and other receivables, net	679,491	782,756	274,005	208,490

The balances of trade accounts receivable - hotel operations as at 31 December 2021 and 2020, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Age of receivables</u>				
Not yet due	45,145	15,749	317	155
Past due				
Up to 30 days	45,542	18,953	141	116
31 - 60 days	10,060	12,320	62	28
61 - 90 days	2,783	3,442	59	35
91 - 120 days	818	1,546	56	19
Over 120 days	60,545	80,146	6,919	6,938
Total	164,893	132,156	7,554	7,291
Less: Allowance for expected credit losses	(45,681)	(33,285)	(6,810)	(4,419)
Trade accounts receivable - hotel operations, net	119,212	98,871	744	2,872

The normal credit term of trade accounts receivable - hotel operations is 30 days.

Set out below is the movement in the allowance for expected credit losses of trade receivable - hotel operations:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	33,285	9,119	4,419	3,528
Additions	12,396	25,607	2,391	961
Amount written off	-	(1,441)	-	(70)
Balance at end of year	45,681	33,285	6,810	4,419

The significant increase in allowance for expected credit losses of trade accounts receivable - hotel operations of Baht 12 million in 2021 (2020: Baht 26 million) 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 2021 and 2020, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Age of receivables</u>				
Not yet due	309,735	364,129	-	-
Past due				
Up to 30 days	11,996	39,779	-	-
31 - 60 days	9,813	18,258	-	-
61 - 90 days	7,913	8,545	-	-
91 - 120 days	6,232	9,116	-	-
Over 120 days	34,656	22,516	-	-
Total	380,345	462,343	-	-
Less: Deferred interest income	(3,364)	-	-	-
Trade accounts receivable - sales of property, net	376,981	462,343	-	-

The normal credit term of trade accounts receivable - sales of property is 30 days.

The balances of trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships as at 31 December 2021 and 2020, aged on the basis of due dates, are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Age of receivables</u>				
Not yet due	508	1,205	-	-
Past due				
Up to 30 days	1,613	432	-	-
31 - 60 days	697	470	-	-
61 - 90 days	622	877	-	-
91 - 120 days	85	1,960	-	-
Over 120 days	59,166	43,691	-	-
Total	62,691	48,635	-	-
Less: Allowance for expected credit losses	(48,360)	(17,256)	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships, net	14,331	31,379	-	-

The normal credit term of trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships is 30 days.

The significant increase in allowance for expected credit losses of trade accounts receivable - sales of holiday club memberships and sales and marketing service for holiday club memberships of Baht 31 million in 2021 (2020: Baht 17 million) was mainly due to trade receivables which past due for more than one year and are not subject to enforcement activity.

9. 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		
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Guarantee fee income	-	-	1	1	(2) agreed basis
Guarantee fee expenses	-	-	20	7	(2) agreed basis
Interest income	-	-	57	81	(4) agreement
Interest expenses	-	-	6	11	(4) agreement
Management fee income	-	-	56	90	(3) agreed basis
Reimbursement receipts	-	-	1	-	(9) agreed basis
Reimbursement payments	-	-	23	5	(9) agreed basis
Rental and service income	-	-	1	3	(10)(iii) agreement
Rental and service expenses	-	-	6	6	(10)(iii), (iv) agreement
Resort service expenses	-	-	3	5	(12) agreed basis
Dividend income	-	-	2	-	As declared
<u>Transactions with associates</u>					
Reimbursement receipts	2	3	-	-	(9) agreed basis
Reimbursement payments	-	1	-	-	(9) agreed basis
Rental and service income	15	15	-	-	(10)(iv) agreement
Dividend income	-	-	12	12	As declared
<u>Transactions with related companies</u>					
Inter resort payments	3	16	-	-	(1) agreed basis
Management fee income	2	5	1	4	(13), (14) agreement
Management fee expenses	28	68	-	-	(5) agreement
Purchase of spa and gallery vouchers	4	2	1	-	(16) agreed basis
Sale of goods	4	4	-	-	(7) agreed basis
Reimbursement receipts	37	41	9	12	(9) agreed basis
Reimbursement payments	61	61	1	1	(9) agreed basis

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2021	2020	2021	2020	
<u>Transaction with related companies (continued)</u>					
Rental and service income	13	13	-	-	(10)(i), (ii), (iv), (v) agreement
Rental and service expenses	-	6	-	-	(10)(vi) agreement
Rental return on hotel units	-	4	-	-	(11) agreement
Resort service income	1	2	-	-	(12) agreed basis
Training charges	-	3	-	-	(8) agreed basis
Service fees	52	-	-	-	(6), (15) agreed basis
Purchase of operating assets	2	-	-	-	At net book value plus 5% markup

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 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) 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.
- (3) 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 working hours.

(4) 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.

(5) The terms of the operating agreements are disclosed in Note 38 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 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.

- (6) The centralised service fee charges by Banyan Tree Resorts & Spas (Thailand) Company Limited in respect of providing centralised services related to accounting, purchasing, human resources, learning & development, reservation and information technology. Where the charges is based on 5% markup of actual cost, the same is applied to all hotels and business operations concerned.
- (7) 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.
 - (iii) Sale and purchase of goods among Banyan Tree Gallery (Singapore) Pte. Ltd. and Banyan Tree Gallery (Thailand) Limited are priced at cost plus a handling fee of 5% to 20%. In this instance, they act as a purchasing agent and central purchasing for products in their countries to facilitate bulk purchasing for competitive pricing.
- (8) 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.
- (9) Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.

(10) Rental paid for premises and land. The rental periods are not over three years, except some transactions as stated in (10)(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

This agreement was terminated on 1 January 2021.

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 1,207 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) Service income from rental of Banyan Tree Management Academy is at Baht 136,591 per month.
- (vi) Rental of office space and service of Banyan Tree Gallery (Singapore) Pte. Limited is at SGD 3 per square feet per month.
- (11) 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.

(12) 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, transportation charges : based on actual cost
- 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

(13) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources.

(14) 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.

(15) 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.

(16) 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.

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)	
	2021	2020
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)	
	2021	2020
Short-term loan facilities	150	150
Long-term loan facilities	900	900
Overdrafts and bank guarantee facilities	20	20

As at 31 December 2021 and 2020, the balances of the accounts between the Company and related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Amounts due from related parties				
Subsidiaries	-	-	261,156	172,060
Associated companies	1,920	259	-	-
Related companies (related by common shareholders)	87,019	79,959	4,167	9,708
Total amounts due from related parties (Note 8)	<u>88,939</u>	<u>80,218</u>	<u>265,323</u>	<u>181,768</u>
Amounts due to related parties				
Subsidiaries	-	-	40,704	27,686
Associated companies	-	24	-	-
Related companies (related by common shareholders)	169,773	134,079	2,700	6,207
Total amounts due to related parties (Note 22)	<u>169,773</u>	<u>134,103</u>	<u>43,404</u>	<u>33,893</u>
Dividend payable (Note 22)				
Related company (related by common shareholders)	<u>130,048</u>	<u>130,048</u>	<u>130,048</u>	<u>130,048</u>

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

As at 31 December 2021 and 2020, 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 2021	Addition	Repayment	31 December 2021
Laguna Banyan Tree Limited	594,000	237,000	(15,000)	816,000
Laguna Holiday Club Limited	175,500	17,000	(25,000)	167,500
Laguna Lakes Limited	293,000	-	(18,000)	275,000
Laguna Grande Limited	165,000	48,000	(213,000)	-
Banyan Tree Gallery (Thailand) Limited	28,050	-	-	28,050
Total	<u>1,255,550</u>	<u>302,000</u>	<u>(271,000)</u>	<u>1,286,550</u>

Long-term loans from subsidiaries

(Unit: Thousand Baht)

	Separate financial statements			
	1 January 2021	Addition	Repayment	31 December 2021
Laguna (3) Limited	13,500	5,000	(4,000)	14,500
TWR - Holdings Limited	119,000	431,000	(419,000)	131,000
Laguna Grande Limited	-	160,000	(77,000)	83,000
Total	132,500	596,000	(500,000)	228,500

Long-term loan from related company

(Unit: Thousand Baht)

	Consolidated financial statements			
	1 January 2021	Addition	Repayment	31 December 2021
Banyan Tree Hotels & Resorts (Thailand) Limited	26,950	-	(4,000)	22,950
Total	26,950	-	(4,000)	22,950

Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	68,166	65,015	35,998	29,146
Post-employment benefits	2,364	2,696	722	1,206
Other long-term employee benefits	42	38	11	14
Total	70,572	67,749	36,731	30,366

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2021	2020	2021	2020	2021	2020
Food and beverage	14,840	16,142	-	-	14,840	16,142
Finished goods and supplies	46,228	57,236	(918)	(611)	45,310	56,625
Total	61,068	73,378	(918)	(611)	60,150	72,767

11. Property development cost

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Property development cost - net	
	2021	2020	2021	2020	2021	2020
Land	1,305,104	1,305,104	-	-	1,305,104	1,305,104
Land and property under construction	1,994,103	1,766,003	-	-	1,994,103	1,766,003
Land and completed building	898,070	1,118,600	(24,628)	(25,001)	873,442	1,093,599
Total	4,197,277	4,189,707	(24,628)	(25,001)	4,172,649	4,164,706

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Property development cost - net	
	2021	2020	2021	2020	2021	2020
Land	111,429	111,429	-	-	111,429	111,429
Total	111,429	111,429	-	-	111,429	111,429

In 2020, the management reviewed property development cost of suspended projects and determined that the property under construction of Baht 139 million (2021: Nil) 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 for the year ended 31 December 2020.

In 2020, the Group reduced cost of property for sale under holiday club memberships by Baht 22 million (2021: Nil) to reflect the net realisable value. This was included in cost of property development operations.

Subsidiaries have mortgaged property development cost amounting to Baht 1,071 million (2020: Baht 1,486 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 12.7 million were capitalised for the year ended 31 December 2021 (2020: Baht 6.5 million). The weighted average rate of 3.17% - 3.75% (2020: 2.18% - 5.53%) has been used to determine the amount of borrowing costs eligible for capitalisation.

12. Costs to obtain contracts with customers

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Balance at beginning of year	101,312	99,982	-	-
Addition during the year	71,089	36,390	-	-
Amortisation as selling expenses	(20,775)	(35,060)	-	-
Balance at end of year	151,626	101,312	-	-

13. Other financial assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
<u>Debt instrument at amortised cost</u>				
Fixed deposit	2,367	2,269	2,367	2,269
Total debt instrument at amortised cost	2,367	2,269	2,367	2,269
<u>Equity instruments designated at FVOCI</u>				
Non-listed equity instruments				
Bibace Investments Ltd.	481,190	375,369	-	-
Banyan Tree Indochina Hospitality Fund, L.P.	365,081	337,812	-	-
Total equity instruments designated at FVOCI	846,271	713,181	-	-
Total other financial assets	848,638	715,450	2,367	2,269
Current	2,367	2,269	2,367	2,269
Non-current	846,271	713,181	-	-
	848,638	715,450	2,367	2,269

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.

14. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Value added tax	48,726	44,280	2,041	3,283
Prepaid expenses and withholding tax deducted at source	28,017	40,162	1,969	2,821
Advances to suppliers and staff	25,588	25,223	1,416	1,323
Income tax and VAT refundable	-	47,246	-	12,628
Deposit for purchase of land	7,064	-	-	-
Total	109,395	156,911	5,426	20,055

15. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

- 15.1 Installments receivable from property sales which bear interest at rates of 0.0% - 7.0% and MLR plus 0.5% per annum (2020: 5.0% - 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)	
	<u>Consolidated financial statements</u>	
	<u>2021</u>	<u>2020</u>
Current portion of long-term trade accounts receivable	302,663	336,068
Long-term trade accounts receivable	471,147	723,503
Total	<u>773,810</u>	<u>1,059,571</u>
Sales of property		
Within 1 year	306,027	335,992
Less: Deferred interest income	(3,364)	-
Within 1 year, net (Note 8)	<u>302,663</u>	<u>335,992</u>
Over 1 year to 5 years	476,341	723,503
Less: Deferred interest income	(5,194)	-
Over 1 year to 5 years, net	<u>471,147</u>	<u>723,503</u>
Long-term trade accounts receivable - sales of property	<u>773,810</u>	<u>1,059,495</u>
Sales of holiday club memberships		
Within 1 year (Note 8)	-	76
Long-term trade accounts receivable - sales of holiday club memberships	-	76
Total	<u>773,810</u>	<u>1,059,571</u>

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	
	2021	2020	2021	2020	2021	2020
	Million Baht	Million Baht	%	%	Million Baht	Million Baht
<u>Subsidiaries held by the Company</u>						
Banyan Tree Gallery (Singapore) Pte. Ltd.	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 Jobs Co., Ltd. ⁽⁴⁾	179.0	179.0	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 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	2.0	60.0	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.

(4) Formerly known as "Laguna Village Limited". The subsidiary changed its name and registered the change with the Ministry of Commerce on 14 December 2021.

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

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	2021	2020
Banyan Tree Gallery (Singapore) Pte. Ltd.	2,493	-
Total	2,493	-

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.

Details of investment in subsidiary that have material non-controlling interests.

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Dividend paid to non-controlling interests during the years	
	2021	2020	2021	2020
	(%)	(%)		
Banyan Tree Gallery (Singapore) Pte. Ltd.	49.0	49.0	2,268	-
			2,268	-

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	2021	2020
Thai Wah Plaza Limited	56,976	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	
	2021	2020	2021	2020
Growth rate (% per annum)	4.60	7.54	3.68	5.28
Discount rate (% per annum)	7.36	5.85	7.02	6.41

Overall business was affected by the COVID-19 and revenue has significantly dropped since 2020. However, the management expects that the operation will recover in 2024, and thus the growth rate has been calculated from that year onwards.

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	
			2021	2020	2021	2020	2021	2020
			(%)	(%)				
Tropical Resorts Ltd.	Holding company	Hong Kong	25.87	25.87	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	768,365	743,475
Banyan Tree China Pte. Ltd.	Holding company	Singapore	10.69	10.69	173,495	173,495	217,253	216,899
Total investments in associates - net					950,949	950,949	985,618	960,374

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2021	2020	2021	2020
			(%)	(%)		
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 2021 and 2020, 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 (loss) and dividend received

During the years, the Company and subsidiary have recognised their share of comprehensive income (loss) from investments in associates 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 (loss) from investments in associates during the years	
	2021	2020	2021	2020
Banyan Tree China Pte. Ltd.	1,429	1,656	(1,075)	(6,772)
Thai Wah Public Company Limited	30,240	970	6,489	(4,824)
Total	31,669	2,626	5,414	(11,596)

(Unit: Thousand Baht)

Company's name	Separate financial statements	
	Dividend received	
	2021	2020
Thai Wah Public Company Limited	11,839	11,839
Total	11,839	11,839

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 calculated based on its closed price as at 31 December is as follows:

(Unit: Million Baht)

Associate	Fair values as at 31 December	
	2021	2020
Thai Wah Public Company Limited	490	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.	
	2021	2020	2021	2020
Current assets	4,074	3,491	-	-
Non-current assets	4,545	4,635	2,614	2,499
Current liabilities	(2,254)	(1,007)	-	-
Non-current liabilities	(844)	(1,916)	-	-
Non-controlling interests	(370)	(311)	-	-
Net assets	5,151	4,892	2,614	2,499
Shareholding percentage (%)	10.03	10.03	10.69	10.69
Share of net assets	517	491	279	267
Difference in share of net assets and net book value of investment	-	-	(62)	(50)
Difference in fair value of identifiable assets	153	154	-	-
Goodwill	98	98	-	-
Carrying amounts of associates based an equity method	768	743	217	217

Summarised information about comprehensive income

	(Unit: Million Baht)			
	Thai Wah Public Company Limited		Banyan Tree China Pte. Ltd.	
	2021	2020	2021	2020
Revenue	9,192	7,200	-	-
Profit	312	37	13	15
Other comprehensive income (loss)	63	(48)	(10)	(63)
Total comprehensive income (loss)	375	(11)	3	(48)

17.5 Summarised financial information of other associate

	(Unit: Million Baht)	
	For the year ended 31 December	
	Tropical Resorts Ltd.	
	2021	2020
Loss	(280)	(250)
Other comprehensive income (loss)	(280)	159
Total comprehensive income (loss)	(560)	(91)

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.

(Unit: Million Baht)

Company's name	Unrecognised share of losses			
	Share of losses during the years		Cumulative share of losses up to 31 December	
	2021	2020	2021	2020
Tropical Resorts Ltd.	(145)	(24)	(447)	(302)

18. 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)	Total	Land awaiting development / sales	Units in office building and shops for rent (including land)	Total
Balance as at 1 January 2020	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
Transfer to property, plant and equipment	(28,354)	-	(28,354)	-	-	-
Balance as at 31 December 2021	174,363	1,207,860	1,382,223	74,771	106,831	181,602

As at 31 December 2021 and 2020, 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		Separate		Result to fair value where as an increase in assumption value
	financial statements		financial statements		
	2021	2020	2021	2020	
Price per rai	110 - 16,000	110 - 16,000	171 - 16,000	171 - 16,000	Increase in fair value
Price per Sq.m.	32 - 149	32 - 149	-	-	Increase in fair value

As at 31 December 2021, the subsidiaries have mortgaged the investment properties amounting to approximately Baht 799 million (2020: Baht 844 million) as collateral against credit facilities received from financial institutions.

19. 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 2020	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
Additions	716	11,877	-	6,349	9,634	11,376	452	1,363	43,803	85,570
Disposals and write-off	-	(10,171)	-	(3,863)	(22,022)	(16,461)	(458)	(4,697)	(2,587)	(60,259)
Transfers in/out	-	34,284	-	12,602	4,451	41	195	-	(51,573)	-
Transfer from investment property	28,354	-	-	-	-	-	-	-	-	28,354
Adjustments	-	2,035	5,161	8,512	(257)	(12,719)	-	122	(710)	2,144
As at 31 December 2021	1,577,026	6,082,809	141,722	1,968,430	1,281,312	590,901	45,074	221,546	111,902	12,020,722

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 2020	(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)
Depreciation charged for the year	(57)	(173,704)	(11,154)	(103,033)	(71,646)	(48,339)	(2,365)	(9,543)	-	(419,841)
Disposals and write-off	-	2,831	-	3,439	21,688	16,147	458	4,697	-	49,260
Adjustments	-	(667)	(402)	(5,034)	(2,703)	7,616	-	(64)	-	(1,254)
As at 31 December 2021	(388)	(2,305,315)	(81,757)	(1,501,615)	(1,075,002)	(467,206)	(37,100)	(162,826)	-	(5,631,209)
Allowance for impairment loss										
As at 1 January 2020	-	(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)
Reversal	-	-	-	-	-	856	-	-	-	856
Adjustments	-	(875)	(4,759)	-	-	(549)	-	-	-	(6,183)
As at 31 December 2021	(39,225)	(96,294)	(26,173)	-	-	-	-	-	-	(161,692)
Net book value - At cost										
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
As at 31 December 2021	1,537,413	3,681,200	33,792	466,815	206,310	123,695	7,974	58,720	111,902	6,227,821

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 2020	6,094,760	193,839	-	-	-	-	-	-	-	6,288,599
Additions	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
As at 31 December 2021	6,050,938	89,132	-	-	-	-	-	-	-	6,140,070
Accumulated depreciation										
As at 1 January 2020	-	(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)
Depreciation of revaluation surplus on assets	-	(2,795)	-	-	-	-	-	-	-	(2,795)
As at 31 December 2021	-	(38,630)	-	-	-	-	-	-	-	(38,630)
Net book value - revaluation portion										
As at 31 December 2020	6,050,938	53,297	-	-	-	-	-	-	-	6,104,235
As at 31 December 2021	6,050,938	50,502	-	-	-	-	-	-	-	6,101,440
Property, plant and equipment - net										
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
As at 31 December 2021	7,588,351	3,731,702	33,792	466,815	206,310	123,695	7,974	58,720	111,902	12,329,261
Depreciation for the year										
2020										456,112
2021										422,636

Separate financial statements

Assets carried at cost

(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
At cost									
As at 1 January 2020	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
Additions	-	-	-	-	229	67	-	2,415	2,711
Disposals and write-off	-	-	-	-	(76)	-	(650)	(2,588)	(3,314)
Transfers in/out	-	794	-	-	41	-	-	(835)	-
Adjustment	-	-	(41)	-	-	-	-	(326)	(367)
As at 31 December 2021	189	39,736	18,079	15,838	38,309	1,594	7,908	4,584	126,237
Accumulated depreciation									
As at 1 January 2020	-	(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)
Depreciation charged for the year	-	(1,381)	(1,466)	(729)	(1,257)	(26)	(85)	-	(4,944)
Disposals and write-off	-	-	-	-	75	-	651	-	726
As at 31 December 2021	-	(25,505)	(10,248)	(14,954)	(35,337)	(1,524)	(7,908)	-	(95,476)
Allowance for impairment loss									
As at 1 January 2020	-	(2,920)	-	-	-	-	-	-	(2,920)
As at 31 December 2020	-	(2,920)	-	-	-	-	-	-	(2,920)
As at 31 December 2021	-	(2,920)	-	-	-	-	-	-	(2,920)
Net book value - At cost									
As at 31 December 2020	189	11,898	9,338	1,613	3,960	29	84	5,918	33,029
As at 31 December 2021	189	11,311	7,831	884	2,972	70	-	4,584	27,841

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 2020	4,248	12,519	-	-	-	-	-	-	16,767
As at 31 December 2020	4,248	12,519	-	-	-	-	-	-	16,767
As at 31 December 2021	4,248	12,519	-	-	-	-	-	-	16,767
Accumulated depreciation									
As at 1 January 2020	-	(7,980)	-	-	-	-	-	-	(7,980)
Depreciation of revaluation surplus on assets	-	(126)	-	-	-	-	-	-	(126)
As at 31 December 2020	-	(8,106)	-	-	-	-	-	-	(8,106)
Depreciation of revaluation surplus on assets	-	(126)	-	-	-	-	-	-	(126)
As at 31 December 2021	-	(8,232)	-	-	-	-	-	-	(8,232)
Net book value - revaluation portion									
As at 31 December 2020	4,248	4,413	-	-	-	-	-	-	8,661
As at 31 December 2021	4,248	4,287	-	-	-	-	-	-	8,535
Property, plant and equipment - net									
As at 31 December 2020	4,437	16,311	9,338	1,613	3,960	29	84	5,918	41,690
As at 31 December 2021	4,437	15,598	7,831	884	2,972	70	-	4,584	36,376
Depreciation for the year									
2020									7,887
2021									5,070

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 whereas 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 2021, certain buildings and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount, before deducting accumulated depreciation and allowance for impairment loss, of those assets amounted to Baht 2,033 million (2020: Baht 1,865 million) (the Company only: Baht 64 million, 2020: Baht 53 million).

The subsidiaries have mortgaged land and buildings at fair value of Baht 8,758 million (2020: Baht 8,948 million) as collateral against credit facilities received from financial institutions.

During the year 2020, the Company recognises an impairment loss for golf course amounting to Baht 28 million (2021: Nil) to reduce the carrying amount of the assets to the recoverable amount.

20. Leases

20.1 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 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings	Machinery and equipment	Motor vehicles	Pier	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)
1 January 2021	356	38,409	5,670	12,106	-	56,541
Additions	-	5,291	1,046	-	1,252	7,589
Depreciation for the year	(244)	(17,909)	(2,510)	(5,609)	(699)	(26,971)
Impairment	-	(1,242)	-	-	-	(1,242)
Translation adjustment	-	227	-	2,324	-	2,551
31 December 2021	112	24,776	4,206	8,821	553	38,468

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings	Machinery and equipment	Motor vehicles	Pier	Total
1 January 2020	-	5,998	-	-	-	5,998
Depreciation for the year	-	(2,959)	-	-	-	(2,959)
1 January 2021	-	3,039	-	-	-	3,039
Additions	-	1,789	-	-	-	1,789
Depreciation for the year	-	(3,536)	-	-	-	(3,536)
31 December 2021	-	1,292	-	-	-	1,292

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	82,204	84,040	6,673	6,265
Less: Deferred interest expenses	(4,000)	(5,230)	(56)	(131)
Total	78,204	78,810	6,617	6,134
Less: Portion due within one year	(48,033)	(40,168)	(5,996)	(6,017)
Lease liabilities - net of current portion	<u>30,172</u>	<u>38,642</u>	<u>620</u>	<u>117</u>

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at beginning of year	78,810	89,542	6,134	7,602
Additions	11,850	513	1,789	-
Accretion of interest	3,022	4,162	194	332
Repayments	(17,925)	(15,407)	(1,500)	(1,800)
Translation adjustment	2,447	-	-	-
Balance at end of year	<u>78,204</u>	<u>78,810</u>	<u>6,617</u>	<u>6,134</u>

A maturity analysis of lease payments is disclosed in Note 42 under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	26,971	22,497	3,536	2,959
Interest expense on lease liabilities	3,022	4,162	194	332
Expense relating to short-term leases	2,398	2,990	-	-
Expense relating to leases of low-value assets	816	880	364	42
Expense relating to variable lease payments that do not depend on an index or a rate	5,425	44,692	2,896	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 2021 of Baht 56 million (2020: Baht 76 million) (the Company only: Baht 5 million, 2020: Baht 10 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. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 38.

20.2 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 2021 and 2020 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Within 1 year	16,627	20,896	6,974	5,160
Over 1 and up to 5 years	10,874	12,955	10,111	3,947
Total	<u>27,501</u>	<u>33,851</u>	<u>17,085</u>	<u>9,107</u>

21. Bank overdrafts and short-term loans from financial institutions

	Interest rate (percent per annum)	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank overdrafts	MOR	24,162	26,304	-	-
Short-term loans from financial institutions	MMR, MLR and fixed deposit rate plus 1.5% (2020: 2%, MMR, MLR and fixed deposit rate plus 1.5%)	1,157,000	1,282,500	650,000	670,000
Total		<u>1,181,162</u>	<u>1,308,804</u>	<u>650,000</u>	<u>670,000</u>

MOR: Minimum Overdraft Rate

MMR: Money Market Rate

MLR: Minimum Loan 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 19 and by the guarantee provided by subsidiaries.

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		Financial statements	
	2021	2020	2021	2020
Trade accounts payable	381,327	603,354	9,661	4,225
Accrued construction	4,371	5,924	-	-
Amounts due to related parties (Note 9)	169,773	134,103	43,404	33,893
Accrued expenses	164,635	174,125	8,828	13,809
Dividend payable (Note 9)	130,048	130,048	130,048	130,048
Other payables	211,263	262,888	2,247	880
Service charge payable to hotel staff	17,012	5,057	-	-
Accrued rental to villa owners	53,548	81,239	6,293	4,379
Total	1,131,977	1,396,738	200,481	187,234

23. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Value added tax payable	67,010	53,086	9,602	8,076
Unearned income	18,240	27,997	150	-
Specific business tax payable	129,104	134,297	4,378	4,379
Other tax payable	8,834	11,405	457	423
Total	223,188	226,785	14,587	12,878

24. Long-term loans from financial institutions

No.	Facility (Million Baht)	Repayment	Period	Interest rate (% Per annum)	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
					2021	2020	2021	2020
The Company								
1	75	Quarterly	April 2017 to October 2031	2.00 and MLR less 0.75 - 1.75	67,750	67,750	67,750	67,750
2	1,300	Quarterly	February 2020 to October 2036	2.00 and MLR less 0.75 - 2.00	1,292,000	1,292,000	1,292,000	1,292,000
3	20	Half-yearly	March 2024 to March 2025	MMR	20,000	-	20,000	-
Subsidiaries								
4	450	Quarterly	August 2017 to October 2038	2.00 and MLR less 0.50 - 2.00	305,000	305,000	-	-
5	335	Quarterly	November 2019 to October 2038	2.00 and MLR less 0.75 - 2.00	295,355	292,680	-	-
6	100	Annually	December 2020 to December 2023 ^(a)	MLR less 1.25 - 1.50	31,129	60,795	-	-
7	800	Quarterly	March 2013 to October 2038	2.00 and MLR less 0.50 - 2.00	240,000	240,000	-	-
8	400	Quarterly	February 2020 to October 2038	2.00 and MLR less 0.75 - 2.00	398,750	398,750	-	-
9	600	Quarterly	October 2023 to October 2030 ^(a)	2.00 and MLR less 1.25 - 2.00	52,000	52,000	-	-
10	4	Monthly	December 2020 to May 2022	2.00	1,010	3,770	-	-
11	5	Monthly	May 2023 to April 2025	2.00 and MLR	5,000	-	-	-
12	1,000	Quarterly	October 2009 to October 2038 ^(a)	2.00, MLR and MLR less 0.50 - 1.50	251,395	272,550	-	-
13	75	Quarterly	July 2019 to October 2038	2.00 and MLR less 0.75 - 2.00	73,500	73,500	-	-
14	800	Quarterly	February 2019 to October 2038	2.00 and MLR less 0.75 - 2.00	798,750	798,750	-	-
15	175	Quarterly	January 2017 to October 2038	2.00 and MLR less 0.50 - 2.00	153,500	153,500	-	-
16	200	Quarterly	October 2023 to October 2030	MLR less 1.25 - 1.50	200,000	-	-	-
17	298	Quarterly	June 2014 to October 2030 ^(a)	2.00 and MLR less 1.00 - 2.00	73,729	73,729	-	-
18	135	Annually	July 2020 to December 2024 ^(a)	MLR less 1.25 - 1.50	86,110	109,110	-	-
19	100	Quarterly	December 2016 to October 2030	2.00 and MLR less 1.00 - 2.00	48,000	48,000	-	-
20	300	Quarterly	December 2018 to October 2038 ^(a)	2.00 and MLR less 0.75 - 2.00	76,619	76,619	-	-

No.	Facility (Million Baht)	Repayment	Period	Interest rate (% Per annum)	Consolidated		(Unit: Thousand Baht)	
					financial statements		Separate	
					2021	2020	2021	2020
Subsidiaries (continued)								
21	400	Annually	December 2020 to December 2024 ^(a)	MLR less 1.25 - 1.50	205,262	330,000	-	-
22	480	Annually	December 2022 to December 2025 ^(a)	MLR less 1.25 - 1.50	321,100	196,000	-	-
23	900	Annually	August 2018 to August 2022 ^(a)	MLR less 0.75 - 1.25	136,059	263,949	-	-
24	130	Quarterly	April 2023 to December 2027	2.00 and MLR less 1.50	130,000	-	-	-
25	20	Annually	December 2023 to December 2024	MMR	20,000	-	-	-
26	45.5	Half-yearly	March 2024 to September 2024	MMR	45,500	-	-	-
27	40	Half-yearly	September 2023 to March 2025	MMR	40,000	-	-	-
Total long-term loans from financial institutions					5,367,518	5,108,452	1,379,750	1,359,750
Less: Deferred financial fees					(11,814)	(13,382)	(4,850)	(5,555)
Long-term loans from financial institutions, net					5,355,704	5,095,070	1,374,900	1,354,195
Less: Current portion					(540,075)	(737,411)	-	(26,500)
Long-term loans from financial institutions, net of current portion					4,815,629	4,357,659	1,374,900	1,327,695

MMR: Money Market Rate

MLR: Minimum Loan Rate

(a) Also subject to mandatory prepayment in order and/or inverse order of maturity upon the ownership transfer of property sales units and/or when has received the deposits, down payment, the rental or purchase price.

Movement of the long-term loan account during the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	5,108,452	4,866,751	1,359,750	1,370,250
Add: Draw down	462,775	789,475	-	-
Add: Reclassify from short-term loans	125,500	-	20,000	-
Less: Repayments	(329,209)	(547,774)	-	(10,500)
Balance at ending of year	5,367,518	5,108,452	1,379,750	1,359,750

The additional borrowings during the year are for the property development projects and working capital of hotel operations.

The loans are secured by mortgage of plots of land and buildings of its subsidiaries, as described in Notes 11, 18, 19. The loan in (1) 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 2021, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 758 million (2020: Baht 1,086 million).

During the year, the Group received relief from a financial institution to extend grace period on principal repayment and to suspend interest period of 14 loan agreements until April 2023. The principal repayment period has been extended from 2023 to 2038, effective from 2023 onwards, as shown in the table above. The suspended interest payments will be paid on a monthly basis in the last two years of each loan agreement. Up to present, the amendment of 14 loan agreements are already approved.

On 1 December 2021, a financial institution has approved 3 - 5 years grace period on principal payments for 16 soft loan agreements. The principal payments of Baht 126 million, which had been postponed throughout the grace period. The suspended principal payments are to be paid on a half-yearly basis after such grace period.

25. 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					
	2021			2020		
	Post- employment benefits	Other long-term benefits	Total	Post- employment benefits	Other long-term benefits	Total
Balance at beginning of year	83,511	29,765	113,276	52,494	21,835	74,329
Included in profit or loss:						
Current service cost	5,485	2,666	8,151	2,734	1,633	4,367
Interest cost	945	417	1,362	856	436	1,292
Gains or losses on settlement	(14,426)	(2,151)	(16,577)	78,370	(6,100)	72,270
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
Transferred from related party	8,064	5,721	13,785	-	-	-
Benefits paid during the year	(9,616)	(3,579)	(13,195)	(85,866)	(3,722)	(89,588)
Balance at end of year	73,963	32,839	106,802	83,511	29,765	113,276

(Unit: Thousand Baht)

	Separate financial statements					
	2021			2020		
	Post-employment benefits	Other long-term benefits	Total	Post-employment benefits	Other long-term benefits	Total
Balance at beginning of year	26,669	2,544	29,213	17,961	1,677	19,638
Included in profit or loss:						
Current service cost	666	135	801	254	81	335
Interest cost	158	29	187	121	29	150
Gains or losses on settlement	(9,558)	94	(9,464)	6,270	(65)	6,205
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
Transferred from related parties	1,180	281	1,461	-	-	-
Benefits paid during the year	(7,031)	(826)	(7,857)	(4,316)	(666)	(4,982)
Balance at end of year	<u>12,084</u>	<u>2,257</u>	<u>14,341</u>	<u>26,669</u>	<u>2,544</u>	<u>29,213</u>

The Group expects to pay Baht 11 million of long-term employee benefits during the next year (the Company only: Baht 3 million) (2020: Baht 24 million, the Company: Baht 17 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 10 years (the Company only: 10 years) (2020: 10 years, the Company only: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Discount rate (% per annum)	1.40	1.40	1.40	1.40
Salary increase rate (% per annum)	2.00	2.00	2.00	2.00
Gold price (Baht)	26,000	26,000	26,000	26,000

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (+/- 0.50%)	(2,707)	2,867	(173)	182
Salary increase rate (+/-1.00%)	4,957	(4,484)	416	(387)
Gold Price (+/- 1,000 Baht)	565	(565)	83	(83)

(Unit: Thousand Baht)

	2020			
	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)

26. Long-term provision

(Unit: Thousand Baht)

	Consolidated financial statement	
	2021	2020
	2021	2020
Provision for legal cases		
Balance at beginning of year	1,774	18,314
Accretion of interest	26	105
Settlement during the year	(1,418)	(16,645)
Reverse during the year	(382)	-
Balance at end of year	-	1,774

27. 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.

28. Revaluation surplus

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Balance at beginning of year	5,478,403	5,580,941	141,313	141,313
Reversal of revaluation surplus on assets	-	(37,586)	-	-
Reversal of revaluation surplus on disposal of assets	(28,173)	(64,952)	-	-
Balance at end of year	<u>5,450,230</u>	<u>5,478,403</u>	<u>141,313</u>	<u>141,313</u>

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

29. 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.

30. Revenue from contracts with customers

30.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenue from contracts with customers:				
Revenue from hotel operations	688,006	1,206,727	-	14,011
Revenue from property development operations	741,762	1,572,727	-	-
Revenue from office rental operations - service income	5,432	7,198	987	1,549
Management fee income	1,603	4,392	57,149	94,844
Total revenue from contracts with customers	<u>1,436,803</u>	<u>2,791,044</u>	<u>58,136</u>	<u>110,404</u>
Revenue from office rental operations - rental income	21,770	28,638	3,054	7,710
Dividend income	-	-	14,332	11,839
Other	30,327	14,637	5,029	2,390
Total revenue	<u>1,488,900</u>	<u>2,834,319</u>	<u>80,551</u>	<u>132,343</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	1,358,297	2,687,395	-	14,011
Revenue recognised over time	78,506	103,649	58,136	96,393
Total revenue from contracts with customers	<u>1,436,803</u>	<u>2,791,044</u>	<u>58,136</u>	<u>110,404</u>

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 40 relating to the segment information:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Revenue from external customers	1,435,884	2,788,598	2,489	19,639
Intersegment revenues	149,224	192,849	55,647	90,765
	1,585,108	2,981,447	58,136	110,404
Adjustments and eliminations	(148,305)	(190,403)	-	-
Total revenue from contracts with customers	<u>1,436,803</u>	<u>2,791,044</u>	<u>58,136</u>	<u>110,404</u>

30.2 Revenue recognised in relation to contract balances

As at 31 December 2021 and 2020, the Group had significant 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	
	2021	2020	2021	2020
Revenue recognised that was included in contract liabilities at the beginning of year	384,748	340,133	-	-

30.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, the Group has revenue from property development operations of Baht 3,016 million which is expected to be recognised as revenue over the next 3 years (2020: Baht 2,473 million which is expected to be recognised as revenue over the next 3 years) as construction of development properties progress.

31. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
Dividend income	-	-	14,332	11,839
Management fee income	1,603	4,392	57,149	94,844
Gain on sales of property, plant and equipment	13,690	2,602	39	402
Others	16,637	12,035	4,990	1,988
Total	<u>31,930</u>	<u>19,029</u>	<u>76,510</u>	<u>109,073</u>

32. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Interest expense under effective interest method	230,753	230,660	76,158	84,072
Interest expense on lease liabilities	3,022	4,162	194	332
Total	<u>233,775</u>	<u>234,822</u>	<u>76,352</u>	<u>84,404</u>

33. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Salaries, wages and other employee benefits	560,062	687,995	54,237	74,048
Depreciation	449,609	478,609	8,607	10,846
Rental expenses from operating lease agreements	19,481	62,746	8,772	21,085
Repairs and maintenance	69,169	86,858	1,669	1,106
Water and electricity	118,661	102,320	2,237	2,819
Management fee, incentive fee and royalty fees	45,466	47,960	-	-
Commission	22,450	105,437	-	-
Sales and marketing expenses	101,822	144,456	66	148
Food and beverage cost	82,520	120,356	-	-
Increase in land and construction during the year	411,017	866,982	-	-
Change in property development cost	(7,570)	(26,308)	-	-

34. Income tax

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Current income tax:				
Current income tax charge	29,464	25,504	-	-
Adjustment in respect of income tax of previous year	2,438	3,289	-	-
Write off prepaid withholding tax	929	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	40,520	138,805	170	10,668
Income tax expenses reported in the income statement	<u>73,351</u>	<u>167,598</u>	<u>170</u>	<u>10,668</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Deferred tax relating to revaluation surplus on assets	-	(9,396)	-	-
Deferred tax relating to gain (loss) on change in value of equity instruments designated at FVOCI	26,618	(47,175)	-	-
Deferred tax relating to actuarial loss	-	(6,985)	-	(1,276)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2021	2020	2021	2020
Accounting loss before income tax	(957,363)	(800,617)	(69,496)	(18,252)
Applicable tax rate	0% - 20%	0% - 20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(192,059)	(160,481)	(13,899)	(3,650)
Adjustment in respect of income tax of previous year	2,438	3,289	-	-
Write off prepaid withholding tax	929	-	-	-
Effects of:				
Write off property development cost and property, plant and equipment	518	30,345	518	-
Exempt dividend income	-	-	(2,368)	(2,368)
Unused tax losses	237,011	186,779	13,464	-
Utilise of tax losses	(2,340)	-	-	-
Reversal deferred tax assets as previously recorded	13,190	94,298	963	15,965
Non-taxable expenses	13,664	13,368	1,492	721
Total	262,043	324,790	14,069	14,318
Income tax expenses reported in the income statement	73,351	167,598	170	10,668

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

(Unit: Thousand Baht)

	Statements of financial position	
	Consolidated financial statements	
	2021	2020
Deferred tax assets (liabilities)		
Unutilised tax losses	-	828
Allowance for expected credit losses	-	10,405
Provision for long-term employee benefits	21,276	22,305
Intercompany charges to property development cost and property, plant and equipment	10,551	12,327
Other items of deferred tax assets	29,584	31,639
Revaluation surplus on assets	(1,729,018)	(1,678,646)
Temporary differences arising from revenue and cost recognition	(917,623)	(919,954)
Gain on revaluation of investment properties	(199,662)	(225,143)
Gain on change in value of equity instruments designated at FVOCI	(47,981)	(21,363)
Leases	-	1,819
Net deferred tax liabilities	(2,832,873)	(2,765,783)

Reflected in the statements of financial position as follows:

Deferred tax assets	35,447	45,009
Deferred tax liabilities	(2,868,320)	(2,810,792)
Net deferred tax liabilities	(2,832,873)	(2,765,783)

(Unit: Thousand Baht)

	Statements of financial position	
	Separated financial statements	
	2021	2020
Deferred tax assets (liabilities)		
Allowance for expected credit losses	-	884
Provision for long-term employee benefits	2,868	5,843
Other items of deferred tax assets	1,076	1,075
Revaluation surplus on assets	(21,135)	(21,160)
Temporary differences arising from revenue recognition	(72,712)	(76,618)
Gain on revaluation of investment properties	(26,370)	(26,207)
Leases	-	79
Net deferred tax liabilities	(116,273)	(116,104)

During the year, the Group has reduced deferred tax assets of Baht 13 million (2020: 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 2021, the Group has unused tax losses, 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	
	2021	2020	2021	2020
31 December 2021	-	159,262	-	11,525
31 December 2022	126,392	159,433	-	-
31 December 2023	129,326	158,213	-	27,437
31 December 2024	71,490	74,306	-	-
31 December 2025	950,447	940,841	-	-
31 December 2026	1,187,237	-	67,319	-
	<u>2,464,892</u>	<u>1,492,055</u>	<u>67,319</u>	<u>38,962</u>

35. Earnings per share

Basic loss per share is calculated by dividing the 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	
	2021	2020	2021	2020
Loss attributable to equity holders of the Company (Thousand Baht)	(1,031,757)	(947,299)	(69,666)	(28,920)
Weighted average number of ordinary shares (Thousand shares)	166,683	166,683	166,683	166,683
Loss per share (Baht/share)	(6.19)	(5.68)	(0.42)	(0.17)

36. 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)

Company	Fund Manager		Company's contribution in	
	Operation staffs	Office staffs	2021	2020
Laguna Resorts & Hotels Public Company Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	1.6	2.0
Laguna Grande Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	0.8	0.7
Bangtao Grande Limited	SCB Asset Management Company Limited	-	3.0	3.5
Laguna Banyan Tree Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	4.5	4.5
Banyan Tree Gallery (Thailand) Limited	-	MFC Asset Management Plc.	0.3	0.4
Banyan Tree Gallery (Singapore) Pte. Ltd.	-	Central Provident Fund Board	-	0.3
Laguna Service Company Limited	-	MFC Asset Management Plc.	1.5	1.6
Laguna Holiday Club Limited	-	MFC Asset Management Plc.	0.1	0.5
Thai Wah Plaza Limited	TISCO Assets Management Company Limited	MFC Asset Management Plc.	2.4	2.8
Laguna Excursions Limited	-	MFC Asset Management Plc.	0.2	0.2
Phuket Grande Resort Limited	MFC Asset Management Plc.	MFC Asset Management Plc.	0.5	0.5

37. Dividends

Dividends declared in 2020 consisted of:

Dividend	Approved by	Total dividends (Million Baht)	Dividend per share (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

38. Commitments

Capital commitment

As at 31 December 2021, 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 86 million (2020: Baht 101 million).
- b) The subsidiaries have commitments that relate to projects to develop properties for sale amounting to Baht 1,491 million (2020: Baht 1,632 million).

- (c) During the fourth quarter of 2021, a subsidiary entered into a sale and purchase agreement for land with unrelated persons, area of 4 rai 64.20 square wah, totaling Baht 25 million. The subsidiary paid deposit of Baht 7 million and the remaining Baht 18 million shall be paid in 3 installments within November 2022.

Operating agreements

As at 31 December 2021, 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 (b)	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 30.11.2031 (b)	- Management fee: 10% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.7.2012 - 30.11.2031 (b)	- Group Marketing service fee: 2% of total actual hotel revenue*
	Angsana Villas Resort Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.8.2016 - 31.7.2041 (c)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.8.2016 - 31.7.2041 (c)	- Management fee: 7.5% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.8.2016 - 31.7.2041 (c)	- Group Marketing service fee: 2% of total actual hotel revenue
	Laguna Holiday Club Phuket Resort	Banyan Tree Hotels & Resorts Pte. Limited	19.10.2015 - 18.10.2035 (a)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	19.10.2015 - 18.10.2035 (a)	- Management fee: 7.5% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	19.10.2015 - 18.10.2035 (a)	- Group Marketing service fee: 2% of total actual hotel revenue*
Laguna Banyan Tree Limited	Banyan Tree Phuket	Banyan Tree Hotels & Resorts Pte. Limited	1.1.2016 - 31.12.2025 (a)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.1.2016 - 31.12.2025 (a)	- Technical fee: 7.5% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.1.2016 - 31.12.2025 (a)	- Group Marketing service fee: 2% of total actual hotel revenue*
Thai Wah Plaza Limited	Banyan Tree Bangkok	Banyan Tree Hotels & Resorts Pte. Limited	1.7.2012 - 31.12.2021 (d)	- Royalty fee: 3% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	1.7.2012 - 31.12.2021 (d)	- Management fee: 10% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	1.7.2012 - 31.12.2021 (d)	- Group Marketing service fee: 2% of total actual hotel revenue*
Phuket Grande Resort Limited	Cassia Phuket	Banyan Tree Hotels & Resorts Pte. Limited	20.10.2015 - 19.10.2040 (c)	- Royalty fee: 2% of total revenue
		Banyan Tree Hotels & Resorts (Thailand) Limited	20.10.2015 - 19.10.2040 (c)	- Management fee: 7.5% of gross operating profit
		Banyan Tree Marketing Group Pte. Ltd.	20.10.2015 - 19.10.2040 (c)	- Group Marketing service fee: 2% of total actual hotel revenue*
Banyan Tree Gallery (Singapore) Pte. Ltd.	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.

(d) Operator has option to extend for 1 additional period of 20 years. The option was elected in 2021.

* The rate has been applied since 1 July 2016.

- b) The Group has entered into several service and lease agreements in respect of machinery, motor vehicles and equipment. The terms of the agreements are generally between 1 to 5 years.

As at 31 December 2021, the Group has future minimum payments under service agreement, short-term leases and lease of low-value assets amounting to Baht 7 million (2020: Baht 18 million) (the Company only: Baht 2 million, 2020: Baht 1 million).

- c) As at 31 December 2021 and 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	
	2021	2020	2021	2020
Payable within:				
In up to 1 year	2	1	-	-
In over 1 and up to 5 years	4	4	-	-

Servitude over land

As at 31 December 2021, some subsidiaries have land servitudes of approximately 13 rai (2020: 11 rai) in Phuket province, which are presented under property development cost and property, plant and equipment.

39. Guarantees

As at 31 December 2021, 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 (2020: Baht 50 million, the Company only: Baht 0.4 million).

40. 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 (loss) information regarding the Group's operating segments for the years ended 31 December 2021 and 2020, respectively.

Intersegment revenues are eliminated on consolidation.

(Unit: Million Baht)

	For the year ended 31 December 2021				
	Hotel Business	Property Development	Office Rental	Head Office	Total
Revenue:					
Segment revenue					
Total revenues	777	745	35	-	1,557
Intersegment revenues	(89)	(3)	(8)	-	(100)
Revenue from external customers	688	742	27	-	1,457
Results:					
Segment results	(819)	74	2	(92)	(835)
Unallocated income					32
Loss from operations and other income					(803)
Finance income	-	47	-	-	47
Finance cost	(129)	(35)	-	(70)	(234)
Share of profit from investments in associates					32
Loss before income tax expenses					(958)
Income tax revenue (expenses)	(41)	(55)	-	23	(73)
Loss for the year					(1,031)
Other segment information					
Depreciation of property, plant and equipment	395	20	2	6	423
Depreciation of right-of-use assets	7	20	-	-	27

(Unit: Million Baht)

	For the year ended 31 December 2020				
	Hotel Business	Property Development	Office Rental	Head Office	Total
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
Loss before income tax expenses					(800)
Income tax revenue (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

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

(Unit: Million Baht)

	2021	2020
Revenue from external customers		
Thailand	1,447	2,785
Others	10	30
Total	1,457	2,815
Non-current assets other than financial instruments and deferred tax assets		
Thailand	14,186	14,512
Others	18	30
Total	14,204	14,542

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

41. Fair value hierarchy

As at 31 December 2021 and 2020, 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 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,382	1,382
Property, plant and equipment - land and building	-	-	11,320	11,320
Non-listed equity investments	-	-	846	846
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	490	-	-	490

(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 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	182	182
Property, plant and equipment - land and building	-	-	20	20
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	490	-	-	490

(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

42. Financial instruments

42.1 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 accounts receivable

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 2021 and 2020, 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	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1	1	2	1	-	-	-	-	33.3731	29.9909
SGD	-	-	1	1	-	-	-	-	24.6963	22.6232

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 2021 and 2020, 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 2021						
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	-	-	727	5	732	0.05 - 0.13
Trade and other receivables	302	-	-	377	679	0.00 - 7.00 and MLR + 0.50
Other current financial asset	2	-	-	-	2	0.30
Long-term restricted deposit at financial institution	-	38	-	-	38	0.10 - 0.15
Long-term trade accounts receivable	-	471	-	-	471	0.00 - 7.00
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	1,132	1,132	-
Bank overdraft and short-term loans from financial institutions	-	-	1,181	-	1,181	1.80 - 5.47
Long-term loans from financial institutions	-	-	5,356	-	5,356	2.00 - 4.50
Long-term loans from related company	-	23	-	-	23	1.50

(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 restricted deposit at financial institution	-	38	-	-	38	0.20 - 0.30
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 overdrafts 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 2021						
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	-	-	149	-	149	0.05 - 0.13
Trade and other receivables	-	-	-	274	274	-
Other current financial asset	2	-	-	-	2	0.30
Long-term loans to subsidiaries	-	-	1,287	-	1,287	3.49
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	200	200	-
Short-term loans from financial institution	-	-	650	-	650	2.00 - 3.63
Long-term loans from subsidiaries	-	-	229	-	229	1.25 - 4.06
Long-term loans from financial institution	-	-	1,375	-	1,375	2.00

	Separate financial statements					Interest rate (% per annum)
	As at 31 December 2020					
	Fixed interest rates		Floating interest rate	Non-Interest bearing	Total	
	Within 1 year	Over 1 year to 5 years				
<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

Interest rate sensitivity

As at 31 December 2021, 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 53 million (2020: 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 2021, approximately 34% of the Group's debt will mature in less than one year (2020: 37%) (the Company only: 32%, 2020: 35%) 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 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 December 2021					
On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Bank overdrafts and short-term loans					
from financial institutions	24,162	1,157,000	-	-	1,181,162
Trade and other payables	-	1,131,977	-	-	1,131,977
Long-term loans	-	540,075	993,170	3,834,273	5,367,518
Lease liabilities	-	48,033	30,171	-	78,204
Total	24,162	2,877,085	1,023,341	3,834,273	7,758,861

(Unit: Thousand Baht)

Consolidated financial statements					
As at 31 December 2020					
On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Bank overdrafts 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	26,304	3,459,301	2,444,430	1,967,999	7,898,034

(Unit: Thousand Baht)

Separate financial statements					
As at 31 December 2021					
On demand	Less than 1 year	1 to 5 years	Over 5 years	Total	
Short-term loans from financial institutions	-	650,000	-	-	650,000
Trade and other payables	-	200,481	-	-	200,481
Long-term loans	-	-	205,200	1,174,550	1,379,750
Lease liabilities	-	5,996	621	-	6,617
Total	-	856,477	205,821	1,174,550	2,236,848

(Unit: Thousand Baht)

	Separate financial statements				Total
	As at 31 December 2020				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	
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	-	889,882	563,367	770,000	2,223,249

42.2 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.

42.3 Reconciliation of recurring fair value measurements of financial assets categorised within Level 3 of the fair value hierarchy

(Unit: Thousand Baht)

	Consolidated financial statement	
	2021	2020
Non-listed equity investments		
Balance at beginning of year	713,181	949,060
Net gain (loss) recognised into other comprehensive income	133,090	(235,879)
Balance at end of year	846,271	713,181

43. 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 and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

According to the statement of financial position as at 31 December 2021, the Group's debt-to-equity ratio was 1.29:1 (2020: 1.13:1) and the Company's was 0.62:1 (2020: 0.57:1).

44. Litigations

44.1 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.

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.

On 28 April 2021, the Supreme Court passed its judgement ordering both subsidiaries to make a repayment of Baht 1.4 million plus interest 7.5% per annum to the plaintiff from the date the ruling was delivered (28 April 2021) until full payment was completed.

As of 30 June 2021, the subsidiaries made a full payment and the case is deemed final.

44.2 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.

As of 30 June 2021, the Supreme Court did not accept this case to their consideration. Therefore, the case is deemed final.

44.3 A subsidiary was sued by a buyer of property sales project and claimed for refund of his payment in the amount of Baht 20.9 million plus interest 7.5% calculated from Baht 17.2 million from the plaint date. Currently, the Phuket Provincial Court scheduled the hearing of judgement on 24 February 2022. The subsidiary does not set up provision for this case.

44.4 A subsidiary was sued by a contractor being claimed for service fees of additional works on a hotel renovation in the amount of Baht 5.0 million plus interest 7.5% calculated from Baht 4.5 million from the plaint date. Both the plaintiff and the subsidiary negotiated and settled such service fees of Baht 2.7 million. The plaintiff has withdrawn the case with Phuket Provincial Court since 29 December 2021. Therefore, the case is deemed final.

45. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2022.