

OHTL PUBLIC COMPANY LIMITED
ANNUAL REPORT 2019



MANDARIN ORIENTAL, BANGKOK



Mandarin Oriental, Bangkok

“As the first five-star hotel on the banks of the river, the iconic Mandarin Oriental, Bangkok offers a fabulous location, acclaimed dining and one of the most famous city spas in Asia.

For more than 143 years, travelers have followed the Chao Phraya River to stay at the legendary Mandarin Oriental, Bangkok. In 2019, the hotel celebrated the revival of this Grand Dame following a loving restoration.

A haven of calm on the banks of the river, Mandarin Oriental, Bangkok has always been a truly remarkable hotel that understands and knows Bangkok as well as it does its guests.”

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CORPORATE INFORMATION

NAME

OHTL Public Company Limited
Registered Number : Bor Mor Jor 176

REGISTERED OFFICE

48 Oriental Avenue, Soi Burapa, Charoenkrung Road,
Khwaeng Bangrak, Khet Bangrak, Bangkok Metropolis
10500
Tel: +662 659 9000
Fax: +662 659 0000

AUDITOR

Ms. Sinsiri Thangsombat
Certified Public Accountant (Thailand) No. 7352 and/or
Mr. Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298 and/or
Ms. Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
PricewaterhouseCoopers ABAS Limited
15th Floor, Bangkok City Tower
179/74-80 South Sathorn Road, Bangkok 10120
Tel: +662 286 9999, +662 344 1000
Fax: +662 286 2666

REGISTRAR

Thailand Securities Depository Co., Ltd.
The Stock Exchange of Thailand Building,
93 Rajadapisek Road, Kwaeng Dindaeng,
Khet Dindaeng, Bangkok 10400

Tel: +662 009 9000
Fax: +662 009 9991

SHARE CAPITAL

Par Value	Baht 10.00
Common Stock	
Authorized and Paid -up Capital	Baht 150,978,000.00
Preferred Stock	
Authorized and Paid -up Capital	-

Shares Detail

Common Stock	
Listed Share and Paid -up Stock	15,097,800 shares
Preferred Stock	
Listed Share	-
Treasury Stock	-

DIRECTORS

Mrs. Nijaporn Charanachitta
Chairwoman of Board of Directors
Mr. Peter James Holland Riley
Director
Mr. Craig Alan Beattie
Director
Mr. Yuthachai Charanachitta
Director
Mr. Archibald David Keswick
(28 April 2016 – 23 October 2019)
Mr. Bertram Edward Johnston Weatherall
(24 October 2019 – present)
Director
Mr. Richard Daniel Baker
Director
Mr. Gregory Bruce Liddell
Director and Managing Director
Mr. Aswin Kongsiri
Independent Director
Mr. Surachai Sirivallop
Independent Director
Mr. William Zentgraf
Independent Director
Mr. Sirichai Sombutsiri
Independent Director

AUDIT COMMITTEE

Mr. Aswin Kongsiri
Chairman of Audit Committee
Mr. Surachai Sirivallop
Audit Committee
Mr. William Zentgraf
Audit Committee

COMPANY SECRETARY

Ms. Siriwan Chamnannarongsak

OPERATIONAL EXECUTIVES

Mr. Gregory Bruce Liddell
Managing Director
Mr. Franck Droin
Hotel Manager
Ms. Siriwan Chamnannarongsak
Finance Director
Mr. Geoffrey Webb
Director of Sales & Marketing
Ms. Patama Lerdwittayasakul
Director of Communications
Mr. Charles Aird
Director of Food & Beverage
Mr. Dominique Bugnand
Executive Chef

DIRECTORS AND OPERATIONAL EXECUTIVES

NAMES	HIGHER EDUCATION	WORKING EXPERIENCES
Mrs. Nijaporn Charanachitta	<ul style="list-style-type: none"> • M.B.A University of Wisconsin, USA • B.A. (Arts) Chulalongkorn University 	<ul style="list-style-type: none"> • Director and Senior Executive Vice President of Italian-Thai Development Plc. • Chairwoman of Chaophaya Development Corporation Co., Ltd.
Mr. Peter James Holland Riley	<ul style="list-style-type: none"> • B.A. Arts (Hons) in Geography, University College, Durham University, United Kingdom 	<ul style="list-style-type: none"> • Group Chief Executive of Mandarin Oriental Hotel Group • Group Finance Director at Jardine Matheson Holdings limited
Mr. Craig Alan Beattie	<ul style="list-style-type: none"> • B.A. Accounting and Finance, Aberdeen Business School, Robert Gordon University United Kingdom 	<ul style="list-style-type: none"> • Chief Financial Officer of Mandarin Oriental Hotel Group, Hong Kong • Group Treasurer, Jardine Matheson Group, Hong Kong
Mr. Yuthachai Charanachitta	<ul style="list-style-type: none"> • B.A. Economics, Hamilton College Clinton, New York, USA 	<ul style="list-style-type: none"> • Executive Director of ItalThai Industrial Co., Ltd. • President & CEO of Amari Estates Co., Ltd.
Mr. Archibald David Keswick (28 April 2016 – 23 October 2019)	<ul style="list-style-type: none"> • Eton College, Windsor United Kingdom 	<ul style="list-style-type: none"> • General Manager at The Landmark Mandarin Oriental, Hong Kong • Hotel Manager at The Landmark Mandarin Oriental, Hong Kong
Mr. Bertram Edward Jonhston Weatherall (24 October 2019 - present)	<ul style="list-style-type: none"> • Trinity College Dublin, Republic of Ireland 	<ul style="list-style-type: none"> • Delivery & Restaurant Solutions Manager, Jardine Restaurant Group, Jardine Matheson • Gammon Construction Ltd., Jardine Matheson
Mr. Richard Daniel Baker	<ul style="list-style-type: none"> • Bachelor of Business Administration, Biola University, USA 	<ul style="list-style-type: none"> • Group Chief Relationship Officer, Mandarin Oriental Hotel Group, Hong Kong
Mr. Gregory Bruce Liddell	<ul style="list-style-type: none"> • Bachelor of Commerce at University of Wollongong, NSW, Australia 	<ul style="list-style-type: none"> • Managing Director at Mandarin Oriental Bangkok • General Manager, Mandarin Oriental Barcelona, Spain
Mr. Aswin Kongsiri	<ul style="list-style-type: none"> • B.A. (Hons) in Philosophy, Politics and Economics, Oxford University, United Kingdom 	<ul style="list-style-type: none"> • Chairman of AK Place Co., Ltd. • Director of Krung Thai Bank Public Co., Ltd.
Mr. Surachai Sirivallop	<ul style="list-style-type: none"> • Albert Ludwig University-Freiburg, Germany Specialized in International Laws • B.A. (Laws) Thammasat University 	<ul style="list-style-type: none"> • President & CEO of Thai Reinsurance Public Co., Ltd.
Mr. William Zentgraf	<ul style="list-style-type: none"> • B.A. (Hons) Harvard College, USA • J.D. Harvard Law School, USA 	<ul style="list-style-type: none"> • Financial Consultant and Joint Venture Consultant
Mr. Sirichai Sombutsiri	<ul style="list-style-type: none"> • Advance Management Program (AMP) • Harvard Business School, USA • M.B.A (Finance) University of Southern California, USA • B.A. (Hons) Accounting, Thammasat University 	<ul style="list-style-type: none"> • Chief Executive Officer, LH Bank Plc. • Senior Executive Vice President, Business Customer, Siam Commercial Bank Plc.
Mr. Franck Droin	<ul style="list-style-type: none"> • M.B.A. Reims Management School, Reims, France • B.A. Les-Roches Hotel Management School, Switzerland 	<ul style="list-style-type: none"> • Hotel Manager, Mandarin Oriental Bangkok • General Manager, Kempinski Hotel, Myanmar
Ms. Siriwan Chamnanarongsak	<ul style="list-style-type: none"> • M.S. Accounting, Thammasat University • B.A. Accounting, Chulalongkorn University 	<ul style="list-style-type: none"> • Finance Director, Mandarin Oriental, Bangkok • Chief Finance Officer, Mermaid Maritime Plc, listed in Singapore
Mr. Geoffrey Webb	<ul style="list-style-type: none"> • Associate Diploma in Hotel Management and Catering Science 	<ul style="list-style-type: none"> • Director of Commercial Strategy, Mandarin Oriental, Bangkok
Ms. Patama Lerdwittayasakun	<ul style="list-style-type: none"> • Bachelor of Arts, Major German Language/ Chulalongkorn University 	<ul style="list-style-type: none"> • Director of Communications, Mandarin Oriental, Bangkok • Director of Marketing & Communications, The Peninsula, Bangkok
Mr. Charles Aird	<ul style="list-style-type: none"> • Bachelors, Major in Foreign Language, Exeter University • High School Diploma, Major in Foreign Language, Radley College 	<ul style="list-style-type: none"> • Director of F&B, Mandarin Oriental, Bangkok • Executive Assistant Manager, F&B at The Ritz-Carlton, Moscow
Mr. Dominique Bugnand	<ul style="list-style-type: none"> • Executive Development Programme in Food Service Management, Cornell University School of Hotel Administration • Certified Chef Diploma, Professional Chefs School, France 	<ul style="list-style-type: none"> • Executive Chef, Mandarin Oriental, Bangkok • Executive Chef, Mandarin Oriental, Taipei, Taiwan

REMUNERATION AND SHARES HELD BY DIRECTORS IN THE YEAR 2019

AS AT 31 DECEMBER 2019

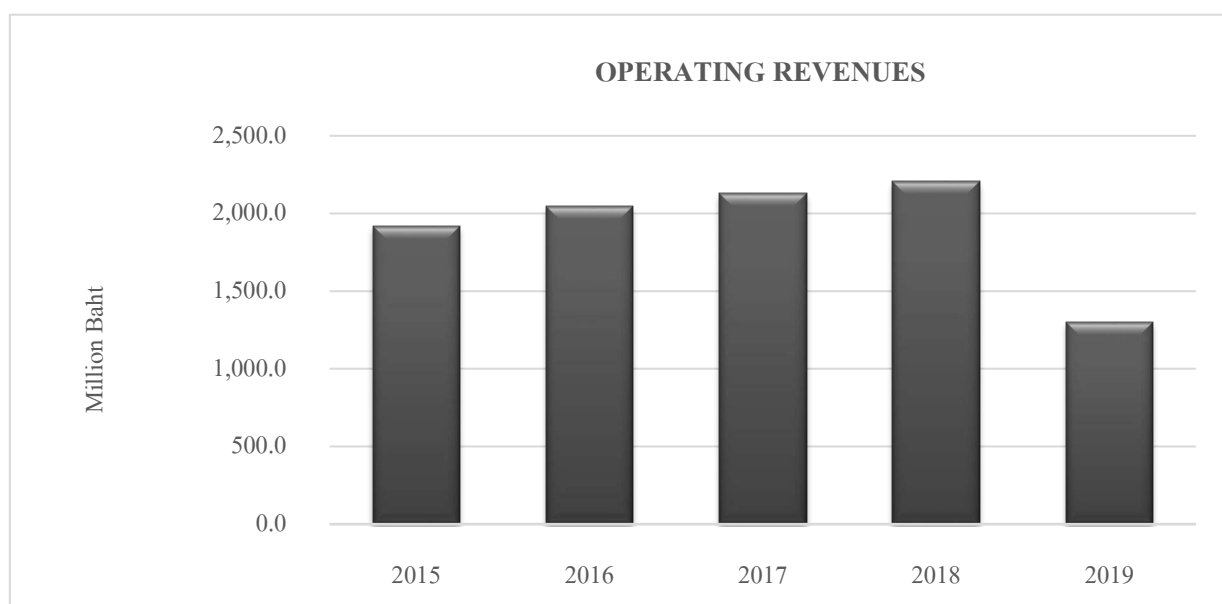
Board of Directors	Remuneration (Baht)	Number of OHTL Shares Held (Shares)
Mrs. Nijaporn Charanachitta	300,000	3,506,098
Mr. Peter James Holland Riley	200,000	-
Mr. Craig Alan Beattie	200,000	
Mr. Yuthachai Charanachitta	200,000	235,250
Mr. Archibald David Keswick*	162,192	-
Mr. Bertram Edward Johnston Weatherall**	37,808	-
Mr. Richard Daniel Baker	200,000	-
Mr. Gregory Bruce Liddell	200,000	-
Mr. Aswin Kongsiri	500,000	-
Mr. Surachai Sirivallop	400,000	-
Mr. William Zentgraf	400,000	-
Mr. Sirichai Sombutsiri	200,000	-
Total Remuneration	3,000,000	

* Mr. Archibald David Keswick (1 January 2019 – 23 October 2019)

** Mr. Bertram Edward Johnston Weatherall (24 October 2019 – 31 December 2019)

FINANCIAL HIGHLIGHTS

	2019	2018
	Million Baht	Million Baht
Operating revenues	1,301.2	2,205.3
(Loss) / Profit before taxation	(472.7)	317.3
(Loss) / Profit attributable to shareholders	(376.2)	259.7



MESSAGE FROM MANAGING DIRECTOR

Mandarin Oriental, Bangkok reported a hotel income of Baht 1,301 million, decreasing Baht 904 million or 41% compared to year-end 2018. The decrease in hotel revenue was due to the planned renovation work in the River Wing resulting in the temporary closure of several facilities, including a significant reduction in available room inventory from 368 rooms to 30 rooms.

The Hotel continued to be recognized as an iconic and celebrated property within the Kingdom of Thailand. Le Normandie Grill continues to be recognized by the acclaimed Michelin Guide and has retained its two stars. Bamboo Bar was featured in Asia's 50 Best Bars 2019, ranked at No. 8 in Asia and No. 1 in Thailand. As in previous years, in our continual quest to deliver innovative gastronomical experiences to our valued guests, the Hotel hosted a series of culinary promotions. Le Normandie Grill played host to the internationally acclaimed Chef Alain Roux from three Michelin-Starred The Waterside Inn, and two Michelin- starred Chef Koji Shimomura from The Édition by Koji Shimomura in Tokyo. Agung Prabowo, head mixologist from the highly acclaimed "The Old Man", which ranked first in 2019 Asia's 50 Best Bars list, co- created a highly styled pop-up experience in our lobby during the refurbishment which attracted local residents to the hotel.

Following the renovation, Mandarin Oriental, Bangkok now offers guests a choice of 11 restaurants and bars, having brought the elevated Kaiseki dining experience by the renowned Chef Takagi Kazuo of the two-Michelin-starred Kyoto Cuisine Takagi to the hotel, which is situated within our Lord Jim's restaurant.

As part of our commitment to contribute to the well-being of the communities in which we operate, Mandarin Oriental, Bangkok continued to actively participate in a series of corporate social responsibility initiatives including Clean Up the World 2019, a comprehensive school refurbishment program which included three schools as well as life skill workshops for the children of the selected schools. With the renovation of the River Wing, our colleagues were able to substantially increase the number of hours extended to community outreach programs totaling in excess of 6,800 hours. Mandarin Oriental, Bangkok also took additional steps towards enhancing sustainable business practices for a sustainable future, by focusing on the elimination of single use plastic. All in room toiletries were replaced with non-plastic biodegradable items. Efforts will continue in our aim to eradicate single use plastic throughout the entire hotel operation by March 2021 in line with Mandarin Oriental's Group-wide initiatives.

The Mandarin Oriental Hotel Group guest recognition programme, Fans of M.O., surpassed half a million members in 2019, less than 18 months after launch. Fans of M.O. has been designed as a unique recognition-based programme to fit the needs of the Groups customers and will continue to further enhance Mandarin Oriental, Bangkok's ability to engage with, and recognize our guests accordingly.

RESULTS

Net loss for the year ended at Baht 371 million, compared to year-end 2018's net profit of Baht 260 million. Without affecting guest experiences, cost containment measures were carefully implemented throughout 2019 in anticipation of the River Wing renovation to mitigate the decrease in revenue. Whilst the River Wing was closed, the hotel benefited from an increased room rate derived from the Authors' and Garden Wings which were renovated in 2015. As a result, average room rate increased from Baht 13,887 in 2018 to Baht 20,418 in 2019 representing a 47% increase,

signaling minimal rate resistance from the market which bodes well for our future strategy to remain as the rate leader in the market following our comprehensive renovation.

Loss per share was Baht 24.6 compared with earnings per share of Baht 17.2 in the prior year. The Directors propose that a dividend not be distributed for the full year 2019.

OPERATIONS

Despite a robust first quarter for 2019, operating results were naturally impacted by the temporary closure of several major facilities including all room inventory in the River Wing, two Restaurant outlets and components of the common areas. The River Wing commenced renovation works as of March 2019. Banquet and Catering performance was affected by the temporary closure of public areas, however, outside catering service recorded an uplift in revenues for the year because of our focus in this area. As outlined previously, the hotel carefully managed costs while retaining a critical focus on guest services and customer attention to detail.

Despite additional supply of five-star luxury hotels in Bangkok, Mandarin Oriental, Bangkok maintained its position as rate leader in a highly competitive market. The newly refurbished River Wing and restaurants were well received by guests and have further enhanced the hotel's position as the preferred premium luxury hotel in Bangkok. Award recognition and guest satisfaction scores increased in 2019 as the hotel continued to focus on unique guest experiences and the highest possible service standards.

CAPITAL IMPROVEMENTS

A total investment of Baht 2 billion has been provided for the renovation of the River Wing rooms, Verandah Restaurant and Terrace, Lord Jim's Restaurant and public areas including the main hotel lobby. The newly designed guestrooms, suites and updated facilities enhanced the hotel's unique resort style while maintaining its classic, Thai-influenced elegance. Post-renovation, the total number of keys will reduce to 331 (from 368) while the number of suites will increase to 60 (from 44), representing a post-renovation suite ratio of 18% (compared to 12% pre-renovation).

The renovation of the restaurants and common areas was completed as scheduled and within the forecasted project cost. More than half of the River Wing inventory has been handed over to operations with all remaining rooms in the River Wing expected to be in operation by mid-2020. Improvements to the "back of house" areas and investment in technology have allowed for gains in efficiencies throughout the Hotel.

AWARDS & PEOPLE

Despite the River Wing renovation, Mandarin Oriental, Bangkok remained focused on its positioning and the recognition gained from influential media and travel partners as highlighted by the following accolades: Inclusion in **The Forbes Travel Guide Listing for 2019**; The Gold List - **Condé Nast Traveler UK 2019**, *Reader's Choice Awards for "Best Hotel in Thailand"* – **DestinAsian**; Readers' Choice Award - **Condé Nast Traveler USA 2019**; Top Hotel in Bangkok – **Travel + Leisure USA 2019**; Best Bar in Thailand – **Asia's 50 Best Bars, No.8 in Asia 2019 & No.1 in Thailand**.

These awards exemplify the ongoing pursuit of excellence and commitment of our colleagues to delight our guests. I take this opportunity to express my sincere appreciation to the entire team for their tireless efforts, enduring dedication and passion to ensure our continued position as one of the world's most legendary hotels.

OUTLOOK & PROSPECTS

The hotel's 2020 prospects are affected by the outbreak of COVID-19. Measures have been implemented throughout the hotel to ensure the safety of all concerned. As necessary, the hotel will take a prudent approach to its cost base. Continued political stability with reduced local security risks bode well for an increase in visitor arrivals post the effects of COVID-19.

The most extensive restoration in the hotel's 143-year history shall conclude during the year of 2020. Notwithstanding the uncertain macroeconomic environment, we are well prepared and positioned to remain a legendary and iconic hotel, maintaining our celebrated place as a globally recognized hotel of excellence.

Greg Liddell

Managing Director

Auditor's Report

To the shareholders and the Board of Directors of OHTL Public Company Limited

My opinion

In my opinion, the consolidated financial statements of OHTL Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
<p>Accuracy of capitalisation of building, equipment and construction in progress for the River Wing Building “The Project”</p> <p>Refer to Note 2.8 ‘Accounting policy - Property, plant and equipment’ and Note 9 ‘Property, plant and equipment (PPE)’ to the consolidated and separate financial statements.</p> <p>During the year 2019, the Group has renovated River Wing building (“Project”). As at 31 December 2019, cumulative capital expenditure for the Project was Baht 1,355 million. There were transfers from construction in progress to building and equipment amount of Baht 625 million. The outstanding balance of construction in progress is Baht 730 million.</p> <p>The capital expenditure consisted of the cost of the construction project, other costs related to asset procurement and related borrowing costs. Portion of general and specific borrowing costs were directly attributable to construction of qualifying assets. The Group management applied their professional judgment on classifying and recognising the borrowing cost as part of the project cost.</p> <p>I focused on this area because the complexity of expenditure transactions and significant balance which involved Group management’s judgement.</p>	<p>My key procedures in relation to accuracy of capitalisation of building, equipment and construction in progress of The Project included:</p> <ul style="list-style-type: none"> • Assessing whether the Group’s accounting policies in relation to the capitalisation of expenditure complied with Thai Financial Reporting Standards (“TFRS”). • Obtaining the summary report of all expenditures under the project and verifying sample of expenditure to ensure the correctness of relevant project transaction. • Testing the accuracy of capital expenditures occurred during the year by examining the supporting documents on a sample basis such as contracts, invoices, and original receipts. • Verifying the readiness on the details of asset transfer from construction in progress to buildings and equipment by performing physical inspection. • Tested calculating and recording of borrowing costs as a part of the construction project and verifying that the Project was complied with definition of qualifying asset that specified in TFRS. • Assessed the disclosure of information in the notes to financial statements. <p>Based on my procedures performed above, I viewed that Group management’s judgement and execution of capital expenditure were reasonable. I found no material exception.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The annual report is expected to be made available to me after the date of this auditor’s report.

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

PricewaterhouseCoopers ABAS Ltd.

Sinsiri Thangsombat

Certified Public Accountant (Thailand) No. 7352

Bangkok

31 January 2020

OHTL Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	6	110,799,688	114,404,883	107,228,786	92,721,790
Short-term investments		172,412	172,412	172,412	172,412
Trade and other receivables	7	92,921,875	126,201,389	106,298,580	139,654,778
Inventories		23,088,456	18,468,414	23,088,456	18,468,414
Other current assets		69,687,132	6,111,725	69,364,711	4,529,931
Total current assets		296,669,563	265,358,823	306,152,945	255,547,325
Non-current assets					
Investments in subsidiaries	8	-	-	100,000	100,000
Investments in associates	8	79,071,545	78,276,313	9,520,000	9,520,000
Property, plant and equipment	9	2,609,084,010	1,409,785,043	2,532,176,365	1,322,323,528
Intangible assets	10	15,745,961	16,573,057	15,745,961	16,573,057
Deferred tax assets	11	144,669,065	41,817,853	133,120,540	33,538,928
Land upfront fee	12	35,816,576	37,487,110	-	-
Other non-current assets		20,204,048	19,073,462	16,133,008	12,533,509
Total non-current assets		2,904,591,205	1,603,012,838	2,706,795,874	1,394,589,022
Total assets		3,201,260,768	1,868,371,661	3,012,948,819	1,650,136,347

Director _____

Director _____

The accompanying notes are an integral part of these consolidated and separate financial statements.

OHTL Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings					
from financial institutions	14	420,000,000	70,000,000	420,000,000	70,000,000
Trade and other payables	13	419,548,055	306,406,997	464,377,179	314,676,758
Income tax payable		-	29,431,662	-	29,431,662
Other current liabilities		9,209,934	20,456,942	9,130,260	20,430,127
Total current liabilities		848,757,989	426,295,601	893,507,439	434,538,547
Non-current liabilities					
Derivative financial liabilities	15	12,184,394	-	12,184,394	-
Long-term borrowings from					
financial institution	16	1,730,000,000	350,000,000	1,730,000,000	350,000,000
Employee benefit obligations	17	168,784,612	132,793,183	168,784,612	149,141,183
Accrued land rental	12	154,860,570	147,198,076	-	-
Other non-current liabilities		22,917,529	24,248,398	22,669,793	24,000,663
Total non-current liabilities		2,088,747,105	654,239,657	1,933,638,799	523,141,846
Total liabilities		2,937,505,094	1,080,535,258	2,827,146,238	957,680,393
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 15,097,800 shares					
at par value of Baht 10 each	18	150,978,000	150,978,000	150,978,000	150,978,000
Issued and paid-up share capital					
Ordinary shares, 15,097,800 shares					
at paid-up of Baht 10 each	18	150,978,000	150,978,000	150,978,000	150,978,000
Retained earnings					
Appropriated					
Legal reserve	19	16,000,000	16,000,000	16,000,000	16,000,000
Unappropriated		96,777,674	620,858,403	18,824,581	525,477,954
Total equity		263,755,674	787,836,403	185,802,581	692,455,954
Total liabilities and equity		3,201,260,768	1,868,371,661	3,012,948,819	1,650,136,347

The accompanying notes are an integral part of these consolidated and separate financial statements.

OHTL Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Hotel income	20	1,301,172,310	2,205,345,848	1,298,804,068	2,082,969,638
Cost of sales and services		(1,065,622,425)	(1,216,118,622)	(1,054,372,334)	(1,137,764,078)
Gross profit		235,549,885	989,227,226	244,431,734	945,205,560
Other income	21	9,721,299	3,646,803	37,309,403	64,941,420
Selling expenses		(117,534,921)	(97,734,113)	(117,534,921)	(97,502,920)
Administrative expenses		(600,155,971)	(596,610,924)	(588,093,736)	(555,809,825)
Finance costs - interest expense		(24,861,771)	(8,794,722)	(24,861,771)	(9,005,315)
Share of profit of associates	8 a)	27,835,232	27,541,217	-	-
(Loss) Profit before income tax income (expense)		(469,446,247)	317,275,487	(448,749,291)	347,828,920
Income tax income (expense)	23	98,528,134	(57,540,960)	95,258,534	(54,271,360)
(Loss) Profit for the year		(370,918,113)	259,734,527	(353,490,757)	293,557,560
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
(Loss) Gain on remeasurements of defined employee benefit obligations	17	(9,431,000)	7,125,000	(9,431,000)	7,125,000
Income tax on items that will not be reclassified	11	1,886,200	(1,425,000)	1,886,200	(1,425,000)
Items that may be reclassified subsequently to profit or loss					
Cash flow hedges	15	(12,184,394)	-	(12,184,394)	-
Income tax on items that will be reclassified	11	2,436,878	-	2,436,878	-
Other comprehensive (expense) income for the year, net of tax		(17,292,316)	5,700,000	(17,292,316)	5,700,000
Total comprehensive (expense) income for the year		(388,210,429)	265,434,527	(370,783,073)	299,257,560
(Loss) Profit attributable to:					
Owners of the parent		(370,918,113)	259,734,527	(353,490,757)	293,557,560
Non-controlling interests		-	-	-	-
		(370,918,113)	259,734,527	(353,490,757)	293,557,560
Total comprehensive (expense) income attributable to:					
Owners of the parent		(388,210,429)	265,434,527	(370,783,073)	299,257,560
Non-controlling interests		-	-	-	-
		(388,210,429)	265,434,527	(370,783,073)	299,257,560
(Loss) Earnings per share					
Basic (loss) earnings per share	24	(24.57)	17.20	(23.41)	19.44

The accompanying notes are an integral part of these consolidated and separate financial statements.

OHTL Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Consolidated financial statements					
	Note	Issued and paid-up share capital Baht	Retained earnings		Other comprehensive income
			Appropriated - legal reserve Baht	Unappropriated Baht	Cash flow hedges Baht
					Total equity Baht
Opening balance as at 1 January 2018		150,978,000	16,000,000	597,151,076	-
Transactions with owners during the year					
Dividends paid	26	-	-	(241,727,200)	-
		-	-	(241,727,200)	-
Profit for the year		-	-	259,734,527	-
Other comprehensive income for the year		-	-	5,700,000	-
Total comprehensive income for the year		-	-	265,434,527	-
Closing balance as at 31 December 2018		150,978,000	16,000,000	620,858,403	-
Opening balance as at 1 January 2019		150,978,000	16,000,000	620,858,403	-
Transactions with owners during the year					
Dividends paid	26	-	-	(135,870,300)	-
		-	-	(135,870,300)	-
Loss for the year		-	-	(370,918,113)	-
Other comprehensive expense for the year		-	-	(7,544,800)	(9,747,516)
Total comprehensive expense for the year		-	-	(378,462,913)	(9,747,516)
Closing balance as at 31 December 2019		150,978,000	16,000,000	106,525,190	(9,747,516)

The accompanying notes are an integral part of these consolidated and separate financial statements.

OHTL Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2019

	Separate financial statements					
			Retained earnings		Other comprehensive income	
		Issued and paid-up share capital	Appropriated - legal reserve	Unappropriated	Cash flow hedges	Total equity
	Note	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2018		150,978,000	16,000,000	467,767,594	-	634,745,594
Transactions with owners during the year						
Dividends paid	26	-	-	(241,547,200)	-	(241,547,200)
		-	-	(241,547,200)	-	(241,547,200)
Profit for the year		-	-	293,557,560	-	293,557,560
Other comprehensive income for the year		-	-	5,700,000	-	5,700,000
Total comprehensive income for the year		-	-	299,257,560	-	299,257,560
Closing balance as at 31 December 2018		150,978,000	16,000,000	525,477,954	-	692,455,954
Opening balance as at 1 January 2019		150,978,000	16,000,000	525,477,954	-	692,455,954
Transactions with owners during the year						
Dividends paid	26	-	-	(135,870,300)	-	(135,870,300)
		-	-	(135,870,300)	-	(135,870,300)
Loss for the year		-	-	(353,490,757)	-	(353,490,757)
Other comprehensive expense for the year		-	-	(7,544,800)	(9,747,516)	(17,292,316)
Total comprehensive expense for the year		-	-	(361,035,557)	(9,747,516)	(370,783,073)
Closing balance as at 31 December 2019		150,978,000	16,000,000	28,572,097	(9,747,516)	185,802,581

The accompanying notes are an integral part of these consolidated and separate financial statements.

OHTL Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
(Loss) Profit before income tax income (expense)		(469,446,247)	317,275,487	(448,749,291)	347,828,920
Adjustments for:					
Depreciation charge on					
property, plant and equipment	9	230,036,131	245,710,541	219,298,999	228,645,044
Amortisation charge on intangible assets	10	7,249,547	6,654,711	7,249,547	6,546,950
Amortisation charge on land upfront fee	12	1,670,534	1,670,534	-	-
(Gain) Loss on disposals of property, plant and equipment		(7,722,563)	167,909	(7,539,301)	226,935
Loss on write-off of property, plant and equipment	9	79,969,266	311,190	79,969,266	311,190
Loss on write-off of intangible assets	10	6,903	-	6,903	-
Doubtful account for					
trade accounts receivable	7	2,427,335	-	2,427,335	-
Doubtful account for					
amount due from a related party		-	-	808,343	645,389
Share of profit of associates	8 a)	(27,835,232)	(27,541,217)	-	-
Dividend income	21	-	-	(27,040,000)	(60,760,000)
Employee benefit expense	17	54,325,251	13,697,869	37,977,251	16,107,152
Interest income	21	(299,745)	(691,623)	(847,849)	(1,236,291)
Finance costs - interest expense		24,861,771	8,794,722	24,861,771	9,005,315
Changes in operating assets and liabilities					
- trade and other receivables		30,852,179	9,039,660	30,669,932	26,062,102
- inventories		(4,620,042)	(1,870,845)	(4,620,042)	(1,589,441)
- other current assets		(60,864,426)	9,726,365	(62,135,509)	(1,687,239)
- other non-current assets		(1,130,586)	(581,677)	(3,599,499)	(2,340,528)
- trade and other payables		31,493,505	(56,747,049)	68,052,868	(52,125,536)
- employee benefits paid	17	(27,764,822)	(12,648,970)	(27,764,822)	(11,732,580)
- accrued land rental		7,662,494	7,662,494	-	-
- other current liabilities		(11,247,008)	(3,381,234)	(11,299,867)	(1,128,545)
- other non-current liabilities		(1,330,869)	(2,356,390)	(1,330,870)	(2,313,747)
Cash (used in) generated from operations		(141,706,624)	514,892,477	(123,604,835)	500,465,090
Interest received		299,745	691,623	298,437	686,878
Interest paid		(32,095,289)	(8,728,340)	(32,095,289)	(8,938,933)
Income tax paid		(32,142,643)	(56,047,228)	(32,130,933)	(54,518,898)
Net cash (used in) generated from operating activities		(205,644,811)	450,808,532	(187,532,620)	437,694,137

The accompanying notes are an integral part of these consolidated and separate financial statements.

OHTL Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Purchases of business transfer from a subsidiary		-	-	-	(31,999,365)
Purchases of property, plant and equipment		(1,422,517,851)	(203,969,799)	(1,422,517,851)	(196,822,441)
Purchases of intangible assets	10	(6,429,354)	(4,946,176)	(6,429,354)	(4,905,580)
Proceeds from disposals of property, plant and equipment		9,817,121	1,503,084	9,817,121	1,441,775
Dividends received from a subsidiary	8 d), 21	-	-	-	29,820,000
Dividends received from associate	8 a), 21	27,040,000	30,940,000	27,040,000	30,940,000
Net cash used in investing activities		(1,392,090,084)	(176,472,891)	(1,392,090,084)	(171,525,611)
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions	14	820,000,000	120,000,000	820,000,000	120,000,000
Proceeds from short-term borrowing from a related party		-	-	-	49,019,735
Proceeds from long-term borrowings from financial institution	16	1,730,000,000	-	1,730,000,000	-
Repayments on short-term borrowings from financial institutions	14	(470,000,000)	(120,000,000)	(470,000,000)	(120,000,000)
Repayments on short-term borrowing from a related party		-	-	-	(49,019,735)
Repayment on long-term borrowings from financial institution	16	(350,000,000)	-	(350,000,000)	-
Dividends paid to shareholders	26	(135,870,300)	(241,727,200)	(135,870,300)	(241,547,200)
Net cash generated from (used in) financing activities		1,594,129,700	(241,727,200)	1,594,129,700	(241,547,200)
Net (decrease) increase in cash and cash equivalents		(3,605,195)	32,608,441	14,506,996	24,621,326
Cash and cash equivalents at the beginning of the year		114,404,883	81,796,442	92,721,790	68,100,464
Cash and cash equivalents at the end of the year	6	110,799,688	114,404,883	107,228,786	92,721,790

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2019 and 2018 are as follows:

Other payables arising from purchases of property, plant and equipment	102,205,864	30,578,271	102,205,864	30,578,271
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The accompanying notes are an integral part of these consolidated and separate financial statements.

1 General information

OHTL Public Company Limited ("the Company") is a public limited company which listed on the Stock Exchange of Thailand since 1988. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

48 Oriental Avenue, Soi Burapa, Charoenkrung Road, Bangrak, Bangkok, Bangkok.

The principal business operations of the Company and its subsidiaries (together "the Group") are hotel and restaurant operations.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 31 January 2020.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 18, *Revenue*.

The Group has adopted the new Thai Financial Reporting Standards no.15 (TFRS 15), Revenue from contracts with customers from 1 January 2019. This standard does not have significant impact on the Group.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

The Group is currently assessing the impact of certain new and amended financial reporting standards that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, *Financial instruments* before applying the loss allocation and impairment requirements in TAS 28, *Investments in associates and joint ventures*.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group's management is currently assessing the impact of the initial adoption of these standards.

2.3 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting in consolidated financial statements.

In the separate financial statements, investments in associates are accounted for using equity method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

d) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional and the Company's and Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from foreign currency transactions of monetary assets and liabilities are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call financial institution, short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

In the statements of financial position, bank overdrafts are shown in current liabilities.

2.6 Trade accounts receivable

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

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts.

2.8 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	40 years
Building improvements	20 years
Leasehold improvements and renovations	lease period or useful life of assets, whichever is shorter
Machinery and equipment	5 - 10 years
Furniture and fixtures	5 - 10 years
Vehicles	5 years
Boats	10 years
Hotel operating equipment	2 - 3 years

Operating equipment consisting of chinaware, glassware, silverware, linen and uniforms is recorded as hotel operating equipment and expensed upon issuance. In cases where an item of operating equipment becomes obsolete due to a concept change of restaurants, the value of the remaining operating equipment items being replaced is immediately written-off.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Intangible assets

Acquired intangible assets

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 3, 5 and 10 years.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives.

Cost associated with maintaining computer software are recognised as an expense as incurred.

2.10 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed

2.11 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases - where the Group is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.12 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of borrowings facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

2.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.15 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

2.18 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Hotel

Revenue from hotel ownership comprises amounts earned in respect of rental of rooms, food and beverage sales, and other ancillary services. Revenue is recognised over the period when rooms are occupied or services are performed. Revenue from the sale of food and beverages and goods is recognised at the point of sale when the food and beverages and goods are delivered to customers. Payment is due immediately when the hotel guest occupies the room and receives the services and goods.

2.19 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

2.20 Cash flow hedge

The Group enters into interest rate swap contract to reduce its exposure to market fluctuation in interest rates. The Group does not enter into any derivative contracts for trading or speculative purposes.

Certain derivatives are designated as hedging instruments in qualifying hedging relationships. On initial designation of hedge, the Group formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking hedge, together with the method used to assess the effectiveness of hedging relationship.

The Group makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

Since the Group only have cash flow hedges, the method of recognising the resulting fair value gain or loss is as follows:

- The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss.
- The effective portion accumulated in equity are recycled to the statement of profit or loss in the periods when the hedged item affects profit or loss. They are recorded in the income or expense lines in which the revenue or expense associated with the related hedged item is reported. In case of interest expense incurred relating to construction, the borrowing cost shall be capitalised as cost of the qualifying fixed assets.
- When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the periods when the hedged item affects profit or loss. When a forecast transaction is no longer expected to occur (for example, the recognised hedged asset is disposed of), the cumulative gain or loss previously recognised in other comprehensive income is immediately reclassified to the statement of profit or loss.

3 Financial risk management

3.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

3.1.1 Foreign exchange risk

The Group is exposed to foreign exchange risk arising from some currency exposures, primarily relates to its certain receivables and payables. In addition to those transactional exposures, a subsidiary is also exposed to the effect of foreign exchange movements on its investment in foreign associate, which currently is not hedged by any derivative financial instruments. However, the Group believes that foreign exchange risk will have no material effect to their operational results and they therefore do not use derivative financial instruments to hedge this risk.

Below is a summary of the Group's assets and liabilities denominated in foreign currencies as at 31 December 2019 and 2018, which were unhedged.

Foreign currency (Unit: Million)	Consolidated and Separate financial statements		Exchange rate as at 31 December 2019
	Assets	Liabilities	Baht per foreign currency unit
US Dollar	-	1.0422	30.3313

Foreign currency (Unit: Million)	Consolidated and Separate financial statements		Exchange rate as at 31 December 2018
	Assets	Liabilities	Baht per foreign currency unit
US Dollar	-	1.4181	32.6148

3.1.2 Interest rate risk

The Group has interest rate risk from borrowings at floating interest rates. The Group has no significant interest-bearing assets.

All interest rate derivative transactions are subject to approval by the finance director before execution. The Group uses interest rate swap as cash flow hedges of future variable borrowings' interest payments. The Group agrees with the other parties to exchange, semi-annually, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

3.1.3 Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable in that sales and services are principally made to travel agents, credit card companies and companies with secure financial position. The Group has never experienced significant difficulties in debt collection.

3.1.4 Liquidity risk

The Group manages sufficient cash, the availability of funding through an adequate amount of committed credit facilities.

3.2 Fair value estimation

As at 31 December 2019, the Group had no assets or liabilities measured at fair value. Disclosures of fair value measurements by level are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Since the majority of the financial assets are short-term and that the loans and borrowings carry interest at rates close to current market rates and floating interest rate, the management of the Group believes that the fair values of the Group's financial assets and financial liabilities do not materially differ from their carrying amounts.

The fair value of interest rate cap is calculated as the present value of the estimated future cash flows.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

Information on the fair values of borrowings and interest rate cap is included in Notes 15, 16 and 30, respectively.

4 Critical estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Capitalisation of building, equipment and construction in progress

The capital expenditure consisted of the cost of the construction project, other costs related to asset procurement and related borrowing costs. Portion of general and specific borrowing costs were directly attributable to construction of qualifying assets. Management applied their professional judgment on classifying and recognising the borrowing cost as part of the project cost.

Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 17.

Deferred tax asset for carried forward tax losses

The Company has incurred the losses for this year because of renovation of building. The Company cannot fully operate their business and will not recur in the future. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. It is expected that the losses carried forward will be utilised within 5 years.

5 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	2,826,745	3,451,194	2,826,745	3,451,194
Cash at banks				
- current accounts	12,271,755	18,236,764	9,390,094	-
- savings accounts	95,701,188	92,716,925	95,011,947	89,270,596
Total cash and cash equivalents	110,799,688	114,404,883	107,228,786	92,721,790

As at 31 December 2019, the interest rates of savings accounts were 0.05% to 0.38% per annum (2018: 0.05% to 0.38% per annum).

7 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable				
Trade accounts receivable, gross	49,759,213	88,985,003	49,759,213	88,985,003
<u>Less</u> Allowance for doubtful accounts	(2,427,335)	-	(2,427,335)	-
Trade accounts receivable, net	47,331,878	88,985,003	47,331,878	88,985,003
Other receivables				
Amounts due from related parties, net (Note 25 c))	2,918,443	2,532,464	16,488,924	16,187,297
Prepaid rental expenses	11,454,439	11,454,435	11,454,439	11,454,435
Prepaid insurance expenses	12,044,729	11,898,655	12,044,729	11,898,655
Other prepaid expenses	8,124,392	8,908,829	7,930,621	8,707,412
Advance payments	1,773,222	1,963	1,773,222	1,963
Others	9,274,772	2,420,040	9,274,767	2,420,013
Other receivables, net	45,589,997	37,216,386	58,966,702	50,669,775
Total trade and other receivables	92,921,875	126,201,389	106,298,580	139,654,778

Aging analysis of the outstanding trade accounts receivable and amounts due from related parties as at 31 December can be summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts receivable				
Under 30 days	44,751,444	77,945,227	44,751,444	77,945,227
31 - 60 days	2,457,709	9,273,948	2,457,709	9,273,948
61 - 90 days	122,725	1,067,278	122,725	1,067,278
91 - 120 days	-	698,550	-	698,550
Over 120 days	2,427,335	-	2,427,335	-
Total trade accounts receivable	49,759,213	88,985,003	49,759,213	88,985,003
<u>Less</u> Allowance for doubtful accounts	(2,427,335)	-	(2,427,335)	-
Trade accounts receivable, net	47,331,878	88,985,003	47,331,878	88,985,003
	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Amounts due from related parties				
Under 30 days	2,844,942	2,334,704	3,575,216	16,328,178
31 - 60 days	73,501	38,687	73,501	38,687
61 - 90 days	-	-	-	-
91 - 120 days	-	159,073	140	159,273
Over 120 days	-	-	68,079,984	54,092,733
Total amounts due from related parties	2,918,443	2,532,464	71,728,841	70,618,871
<u>Less</u> Allowance for doubtful accounts	-	-	(55,239,917)	(54,431,574)
Amounts due from related parties, net	2,918,443	2,532,464	16,488,924	16,187,297

8 Investments in subsidiaries and associates

- a) The movements in investments in associates accounted for under equity method for the years ended 31 December comprise:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Opening net book value	78,276,313	81,675,096
Share of profit of associates	27,835,232	27,541,217
Dividends received from associate	(27,040,000)	(30,940,000)
Closing net book value	79,071,545	78,276,313

- b) Investments in subsidiaries and associates accounted for under cost method as at 31 December comprise:

	Separate financial statements	
	2019 Baht	2018 Baht
Subsidiaries:		
Investments in subsidiaries, cost	4,100,000	4,100,000
<u>Less</u> Provision for impairment of investments in subsidiaries	(4,000,000)	(4,000,000)
Investments in subsidiaries, net	100,000	100,000
	Separate financial statements	
	2019 Baht	2018 Baht
Associates:		
Investments in associates, cost	9,520,000	9,520,000
Investments in associates	9,520,000	9,520,000

- c) Details of the investments in subsidiaries and associates can be summarised as follows:

Company's name	Nature of business	Country of incorporation	Nature of relationship	Currency
Subsidiaries				
Baan Rim Naam Chao Phraya Company Limited	Cooking school, land and building leases	Thailand	Shareholder	Baht
Bagan Hotel Holding (Thailand) Company Limited	Investment holding	Thailand	Shareholder	Baht
Associates				
Siam Flight Services Limited which has a subsidiary as follows:	Airline catering	Thailand	Shareholder	Baht
LSG Sky Chefs (Thailand) Limited	Airline catering	Thailand	Shareholder	Baht
Bagan Hotel Holding Company (BVI) Limited (invested by Bagan Hotel Holding (Thailand) Company Limited)	Investment in a Myanmar hotel project	British Virgin Islands	Shareholder	US Dollar

d) Carrying values of investments in subsidiaries

Separate financial statements				
As at 31 December 2019				
Company's name	Paid-up capital Baht	Investment portion %	Cost method Baht	Dividend Baht
Subsidiaries				
Baan Rim Naam Chao Phraya Company Limited	100,000	100	100,000	-
Bagan Hotel Holding (Thailand) Company Limited	4,000,000	100	4,000,000	-
Total investments in subsidiaries			4,100,000	-
<u>Less</u> Provision for impairment of investments in subsidiaries			(4,000,000)	-
Total investments in subsidiaries, net			100,000	-
Separate financial statements				
As at 31 December 2018				
Company's name	Paid-up capital Baht	Investment portion %	Cost method Baht	Dividend Baht
Subsidiaries				
Baan Rim Naam Chao Phraya Company Limited	100,000	100	100,000	29,820,000
Bagan Hotel Holding (Thailand) Company Limited	4,000,000	100	4,000,000	-
Total investments in subsidiaries			4,100,000	29,820,000
<u>Less</u> Provision for impairment of investments in subsidiaries			(4,000,000)	-
Total investments in subsidiaries, net			100,000	29,820,000

e) Carrying values of investments in associates

As at 31 December 2019					
Company's name	Paid-up capital Baht	Investment portion %	Cost method Baht	Equity method Baht	Dividend Baht
Associates					
Siam Flight Services Limited	3,000,000	26	9,520,000	79,052,368	27,040,000
Bagan Hotel Holding Company (BVI) Limited	81,181,488	50	40,604,869	19,177	-
Total investments in associates			50,124,869	79,071,545	27,040,000
<u>Less</u> Provision for impairment of investments in associates			(40,604,869)	-	-
Total investments in associates, net			9,520,000	79,071,545	27,040,000
As at 31 December 2018					
Company's name	Paid-up capital Baht	Investment portion %	Cost method Baht	Equity method Baht	Dividend Baht
Associates					
Siam Flight Services Limited	3,000,000	26	9,520,000	78,245,498	30,940,000
Bagan Hotel Holding Company (BVI) Limited	81,181,488	50	40,604,869	30,815	-
Total investments in associates			50,124,869	78,276,313	30,940,000
<u>Less</u> Provision for impairment of investments in associates			(40,604,869)	-	-
Total investments in associates, net			9,520,000	78,276,313	30,940,000

Bagan Hotel Holding (Thailand) Company Limited, a subsidiary of the Company, had invested in a hotel project in Republic of the Union of Myanmar through Bagan Hotel Holding Company (BVI) Limited. On 13 August 2003, the project was terminated by the Ministry of Hotels & Tourism, Republic of the Union of Myanmar. A full provision had been made against the investment.

Siam Flight Services Limited is the associate of the Group, which is material to the Group in opinion of the directors. The associate has share capital consisting solely of ordinary shares, which is held directly by the Group.

Summarised financial information for associate

Set out below are the summarised financial information for Siam Flight Services Limited accounted for using the equity method.

Summarised statement of financial position

	As at 31 December	
	2019 Baht	2018 Baht
Current assets		
Cash and cash equivalents	199,795,847	159,988,472
Other current assets (excluding cash)	169,154,888	190,720,154
Total current assets	368,950,735	350,708,626
Non-current assets	247,536,558	283,481,758
	616,487,293	634,190,384
Current liabilities	173,303,111	190,324,757
Non-current liabilities	8,725,142	13,775,997
	182,028,253	204,100,754
Net assets	434,459,040	430,089,630

Summarised statement of comprehensive income

	For the years ended 31 December	
	2019 Baht	2018 Baht
Revenues	859,965,618	952,977,797
Cost of sales	(538,305,119)	(639,127,822)
Selling and administrative expenses	(120,425,565)	(125,165,764)
Depreciation and amortisation	(11,047,886)	(11,295,876)
Profit from continuing operations	190,187,048	177,388,335
Income tax expense	(36,817,638)	(34,532,443)
Total comprehensive income	153,369,410	142,855,892
Dividends received from associate	27,040,000	30,940,000

The information above reflects the amounts presented in the financial statements of the associate (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associate.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associate:

Summarised financial information

	2019 Baht	2018 Baht
Net assets as at 1 January	430,089,630	457,233,738
Profit for the year	153,369,410	142,855,892
Other comprehensive income	-	-
Dividends	(149,000,000)	(170,000,000)
Net assets as at 31 December	434,459,040	430,089,630
Non-controlling interests (30%)	(130,337,712)	(129,145,407)
Closing net assets attributable to owners of the parent	304,121,328	300,944,223
Interest in associate (26%)	79,071,545	78,245,498

There are no contingent liabilities relating to the Group's interest in the associate.

9 Property, plant and equipment

	Consolidated financial statements								
	Land Baht	Buildings and building improvements Baht	Leasehold improvements and renovations Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Vehicles and boats Baht	Hotel operating equipment Baht	Assets under construction and installation Baht	Total Baht
At 1 January 2018									
Cost	28,562,635	1,428,247,321	1,410,314,251	604,100,735	1,034,707,749	8,216,855	25,788,885	37,034,631	4,576,973,062
<u>Less</u> Accumulated depreciation	-	(1,066,260,539)	(851,956,257)	(385,210,070)	(805,116,935)	(6,993,645)	(21,527,652)	-	(3,137,065,098)
Net book amount	28,562,635	361,986,782	558,357,994	218,890,665	229,590,814	1,223,210	4,261,233	37,034,631	1,439,907,964
Year ended 31 December 2018									
Opening net book amount	28,562,635	361,986,782	558,357,994	218,890,665	229,590,814	1,223,210	4,261,233	37,034,631	1,439,907,964
Additions	-	219,692	1,690,470	11,637,052	9,583,137	791,482	3,475,719	190,172,251	217,569,803
Disposals, net	-	(16,560)	(837,026)	(108,268)	(709,139)	-	-	-	(1,670,993)
Write-off, net (Note 22)	-	(66,131)	(31)	(215,084)	(29,944)	-	-	-	(311,190)
Transfers	-	8,225,014	3,194,666	9,689,564	12,476,903	-	-	(33,586,147)	-
Depreciation charge (Note 22)	-	(69,218,692)	(71,692,650)	(41,993,323)	(58,242,342)	(541,338)	(4,022,196)	-	(245,710,541)
Closing net book amount	28,562,635	301,130,105	490,713,423	197,900,606	192,669,429	1,473,354	3,714,756	193,620,735	1,409,785,043
At 31 December 2018									
Cost	28,562,635	1,435,938,405	1,400,482,780	617,697,742	1,028,311,541	9,008,337	29,264,604	193,620,735	4,742,886,779
<u>Less</u> Accumulated depreciation	-	(1,134,808,300)	(909,769,357)	(419,797,136)	(835,642,112)	(7,534,983)	(25,549,848)	-	(3,333,101,736)
Net book amount	28,562,635	301,130,105	490,713,423	197,900,606	192,669,429	1,473,354	3,714,756	193,620,735	1,409,785,043

Consolidated financial statements									
	Land Baht	Buildings and building improvements Baht	Leasehold improvements and renovations Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Vehicles and boats Baht	Hotel operating equipment Baht	Assets under construction and installation Baht	Total Baht
Year ended 31 December 2019									
Opening net book amount	28,562,635	301,130,105	490,713,423	197,900,606	192,669,429	1,473,354	3,714,756	193,620,735	1,409,785,043
Additions	-	-	-	2,956,693	5,449,825	108,411	46,322,388	1,456,561,605	1,511,398,922
Disposals, net	-	-	(10)	(140,144)	(1,954,402)	(2)	-	-	(2,094,558)
Write-off, net (Note 22)	-	(71,702,361)	(324,312)	(4,491,471)	(3,451,122)	-	-	-	(79,969,266)
Transfers	-	426,409,164	2,452,585	144,412,632	209,131,725	-	11,443,954	(793,850,060)	-
Depreciation charge (Note 22)	-	(58,927,088)	(70,259,303)	(42,451,185)	(54,338,417)	(619,942)	(3,440,196)	-	(230,036,131)
Closing net book amount	28,562,635	596,909,820	422,582,383	298,187,131	347,507,038	961,821	58,040,902	856,332,280	2,609,084,010
At 31 December 2019									
Cost	28,562,635	1,486,255,070	1,274,368,675	676,095,329	836,860,166	9,021,716	61,028,780	856,332,280	5,228,524,651
<u>Less</u> Accumulated depreciation	-	(889,345,250)	(851,786,292)	(377,908,198)	(489,353,128)	(8,059,895)	(2,987,878)	-	(2,619,440,641)
Net book amount	28,562,635	596,909,820	422,582,383	298,187,131	347,507,038	961,821	58,040,902	856,332,280	2,609,084,010

Separate financial statements									
	Land Baht	Buildings and building improvements Baht	Leasehold improvements and renovations Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Vehicles and boats Baht	Hotel operating equipment Baht	Assets under construction and installation Baht	Total Baht
At 1 January 2018									
Cost	28,562,635	1,428,247,321	1,011,262,210	555,834,791	931,076,855	6,476,855	24,970,531	36,990,570	4,023,421,768
Less Accumulated depreciation	-	(1,066,260,539)	(551,825,970)	(351,696,445)	(731,516,062)	(5,656,235)	(21,342,817)	-	(2,728,298,068)
Net book amount	28,562,635	361,986,782	459,436,240	204,138,346	199,560,793	820,620	3,627,714	36,990,570	1,295,123,700
Year ended 31 December 2018									
Opening net book amount	28,562,635	361,986,782	459,436,240	204,138,346	199,560,793	820,620	3,627,714	36,990,570	1,295,123,700
Additions	-	219,692	1,438,470	10,875,033	9,091,945	791,482	3,475,719	185,660,464	211,552,805
Transferred from a subsidiary	-	-	-	14,325,366	28,179,414	300,237	464,162	3,002,788	46,271,967
Disposals, net	-	(16,560)	(837,026)	(108,267)	(706,857)	-	-	-	(1,668,710)
Write-off, net (Note 22)	-	(66,131)	(31)	(215,084)	(29,944)	-	-	-	(311,190)
Transfers	-	8,225,014	2,917,876	9,093,554	11,796,643	-	-	(32,033,087)	-
Depreciation charge (Note 22)	-	(69,218,692)	(59,910,343)	(40,208,342)	(55,015,843)	(438,985)	(3,852,839)	-	(228,645,044)
Closing net book amount	28,562,635	301,130,105	403,045,186	197,900,606	192,876,151	1,473,354	3,714,756	193,620,735	1,322,323,528
At 31 December 2018									
Cost	28,562,635	1,435,938,405	1,000,901,949	617,697,742	1,028,518,263	9,008,337	29,264,604	193,620,735	4,343,512,670
Less Accumulated depreciation	-	(1,134,808,300)	(597,856,763)	(419,797,136)	(835,642,112)	(7,534,983)	(25,549,848)	-	(3,021,189,142)
Net book amount	28,562,635	301,130,105	403,045,186	197,900,606	192,876,151	1,473,354	3,714,756	193,620,735	1,322,323,528

	Separate financial statements								Total Baht
	Land Baht	Buildings and building improvements Baht	Leasehold improvements and renovations Baht	Machinery and equipment Baht	Furniture and fixtures Baht	Vehicles and boats Baht	Hotel operating equipment Baht	Assets under construction and installation Baht	
Year ended 31 December 2019									
Opening net book amount	28,562,635	301,130,105	403,045,186	197,900,606	192,876,151	1,473,354	3,714,756	193,620,735	1,322,323,528
Additions	-	-	-	2,956,693	5,449,825	108,411	46,322,388	1,456,561,605	1,511,398,922
Disposals, net	-	-	(10)	(140,144)	(1,954,402)	(183,264)	-	-	(2,277,820)
Write-off, net (Note 22)	-	(71,702,361)	(324,312)	(4,491,471)	(3,451,122)	-	-	-	(79,969,266)
Transfers	-	426,409,164	2,452,585	144,412,632	209,131,725	-	11,443,954	(793,850,060)	-
Depreciation charge (Note 22)	-	(58,927,088)	(59,653,767)	(42,451,185)	(54,338,417)	(488,346)	(3,440,196)	-	(219,298,999)
Closing net book amount	28,562,635	596,909,820	345,519,682	298,187,131	347,713,760	910,155	58,040,902	856,332,280	2,532,176,365
At 31 December 2019									
Cost	28,562,635	1,486,255,070	874,787,844	676,095,329	837,066,888	7,281,716	61,028,780	856,332,280	4,827,410,542
Less Accumulated depreciation	-	(889,345,250)	(529,268,162)	(377,908,198)	(489,353,128)	(6,371,561)	(2,987,878)	-	(2,295,234,177)
Net book amount	28,562,635	596,909,820	345,519,682	298,187,131	347,713,760	910,155	58,040,902	856,332,280	2,532,176,365

As at 31 December 2019, borrowing costs of Baht 17.25 million, arising from financing specifically entered into for the renovation of River Wing Building, were capitalised during the year and are included in 'additions'. A capitalisation rate of 0.89% was used representing the actual borrowing cost of the loan used to finance the project. There is no borrowing cost was capitalised during the year 2018.

10 Intangible assets

	Consolidated financial statements Computer software Baht	Separate financial statements Computer software Baht
At 1 January 2018		
Cost	95,788,567	93,912,253
<u>Less</u> Accumulated amortisation	(77,506,975)	(76,187,283)
Net book amount	18,281,592	17,724,970
Year ended 31 December 2018		
Opening net book amount	18,281,592	17,724,970
Additions	4,946,176	4,905,580
Transferred from a subsidiary	-	489,457
Amortisation charge (Note 22)	(6,654,711)	(6,546,950)
Closing net book amount	16,573,057	16,573,057
At 31 December 2018		
Cost	100,734,743	100,734,743
<u>Less</u> Accumulated amortisation	(84,161,686)	(84,161,686)
Net book amount	16,573,057	16,573,057
Year ended 31 December 2019		
Opening net book amount	16,573,057	16,573,057
Additions	6,429,354	6,429,354
Write-off, net	(6,903)	(6,903)
Amortisation charge (Note 22)	(7,249,547)	(7,249,547)
Closing net book amount	15,745,961	15,745,961
At 31 December 2019		
Cost	94,603,387	94,603,387
<u>Less</u> Accumulated amortisation	(78,857,426)	(78,857,426)
Net book amount	15,745,961	15,745,961

11 Deferred tax assets

As at 31 December 2019 and 2018, deferred tax assets are calculated in full on temporary differences under the liability method using principal tax rates that are expected to be applied when the related deferred tax assets is realised.

The movements in the deferred tax assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets				
Opening balance	41,817,853	44,203,224	33,538,928	32,654,699
Credited (Charged) to profit or loss (Note 23)	98,528,134	(960,371)	95,258,534	2,309,229
Credited (Charged) to equity	4,323,078	(1,425,000)	4,323,078	(1,425,000)
Closing balance	144,669,065	41,817,853	133,120,540	33,538,928

Deferred tax assets and deferred tax charged in the statements of comprehensive income are attributable to the following items:

Consolidated financial statements				
	1 January 2018 Baht	Credited (Charged) to profit or loss Baht	Credited (Charged) to equity Baht	31 December 2018 Baht
Deferred tax assets				
Employee benefit obligations	26,938,506	1,045,131	(1,425,000)	26,558,637
Accrued land rental	11,548,525	-	-	11,548,525
Other allowances and provisions	5,716,193	(2,005,502)	-	3,710,691
Total deferred tax assets	44,203,224	(960,371)	(1,425,000)	41,817,853
Consolidated financial statements				
	1 January 2019 Baht	Credited (Charged) to profit or loss Baht	Credited (Charged) to equity Baht	31 December 2019 Baht
Deferred tax assets				
Employee benefit obligations	26,558,637	5,312,086	1,886,200	33,756,923
Accrued land rental	11,548,525	-	-	11,548,525
Loss on derivative interest rate swap	-	-	2,436,878	2,436,878
Tax losses	-	92,907,149	-	92,907,149
Other allowances and provisions	3,710,691	308,899	-	4,019,590
Total deferred tax assets	41,817,853	98,528,134	4,323,078	144,669,065
Separate financial statements				
	1 January 2018 Baht	Credited (Charged) to profit or loss Baht	Credited (Charged) to equity Baht	31 December 2018 Baht
Deferred tax assets				
Employee benefit obligations	26,938,506	4,314,731	(1,425,000)	29,828,237
Other allowances and provisions	5,716,193	(2,005,502)	-	3,710,691
Total deferred tax assets	32,654,699	2,309,229	(1,425,000)	33,538,928
Separate financial statements				
	1 January 2019 Baht	Credited (Charged) to profit or loss Baht	Credited (Charged) to equity Baht	31 December 2019 Baht
Deferred tax assets				
Employee benefit obligations	29,828,237	2,042,486	1,886,200	33,756,923
Loss on derivative interest rate swap	-	-	2,436,878	2,436,878
Tax losses	-	92,907,149	-	92,907,149
Other allowances and provisions	3,710,691	308,899	-	4,019,590
Total deferred tax assets	33,538,928	95,258,534	4,323,078	133,120,540

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group does not recognise deferred tax assets of Baht 1.21 million (2018: Baht 8.69 million) in respect of tax losses amounting to Baht 6.06 million (2018: Baht 43.46 million) that can be carried forward against future taxable profits. Tax losses amounting to Baht 6.06 million (2018: Baht 43.46 million) expire in 2019.

12 Land upfront fee and accrued land rental

On 29 June 2005, a subsidiary of the Company entered into a land lease agreement with a third party. The agreement is effective from 1 July 2005 for a thirty-year period with options to extend for further six years. The land upfront fee of Baht 60 million, which was paid to a lessor on that date under the operating lease agreement, is charged to the statement of comprehensive income on a straight-line method over the lease period.

The movements in land upfront fee for the years ended 31 December are as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Opening balance	37,487,110	39,157,644
<u>Less</u> Amortisation charge during the year	(1,670,534)	(1,670,534)
Closing balance	35,816,576	37,487,110

The movements in accrued land rental for the years ended 31 December are as follows:

	Consolidated financial statements	
	2019 Baht	2018 Baht
Opening balance	147,198,076	139,535,582
Land rental expense during the year	25,231,694	25,231,694
Payment of land rental	(17,569,200)	(17,569,200)
Closing balance	154,860,570	147,198,076

13 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable	66,526,514	68,996,169	66,526,514	68,376,677
Amounts due to related parties (Note 25 c))	34,682,168	48,754,803	86,156,026	64,362,601
Accrued expenses	92,797,020	75,021,798	88,703,572	71,193,240
Deposits from customers	86,882,834	75,450,647	84,430,334	72,668,147
Retention payable	29,275,888	2,101,500	29,275,888	2,101,500
Payable for purchase of assets	102,205,864	30,578,271	102,205,864	30,578,271
Other accounts payable	7,177,767	5,503,809	7,078,981	5,396,322
Total trade and other payables	419,548,055	306,406,997	464,377,179	314,676,758

14 Short-term borrowings from financial institutions

The movements in short-term borrowings from financial institutions for the years ended 31 December are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Opening balance	70,000,000	70,000,000
<u>Add</u> Additions during the year	820,000,000	120,000,000
<u>Less</u> Repayments during the year	(470,000,000)	(120,000,000)
Closing balance	420,000,000	70,000,000

The short-term borrowings from financial institutions represent loans from the Revolving Facility Agreements which are denominated in Baht. The loans bear interest at the rates of 2.45% to 2.68% (2018: 2.30%) and will be repayable in 2020 (2018: in January 2019).

The Group had uncommitted borrowing facilities totaling Baht 1,000 million (2018: Baht 1,000 million). As at 31 December 2019, the balance of drawdown is Baht 420 million, net of repayment during the year (2018: Baht 70 million). Undrawn uncommitted credit facilities are not subject to commitment fee.

15 Derivative financial liabilities

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Current interest rate swap	-	-
Non-current interest rate swap	12,184,394	-
Total interest rate swap	12,184,394	-

To avoid the uncertainty of floating interest rate exposure under THB denominated debt, the Company entered into interest rate swap agreement of principal amount of Baht 400 million with financial institution in March 2019 to swap its floating rate to a fixed rate until 2024.

The ineffective portion that arises from cash flow hedge amounts will be recognised in the profit or loss, however, since there is no ineffectiveness recorded for the year ended 31 December 2019, the effective portion of the fair value of swap is recognised in the other comprehensive income.

Cash flow hedging on long-term borrowing

The Company raises funds by obtaining long-term floating rate borrowings. The funding exposes the Company to significant interest rate risk whereby future movements in market interest rates will have an effect on the operating results and cash flows of the Company.

To manage risks that might occur from the fluctuation in interest rate, the Company has entered into interest rate swap contracts to exchange floating interest payments for fixed interest payments in the same currency. This hedging strategy is applied to the majority of similar exposures. The Company contemplates the terms and conditions, including price, period, and timing of settlement in entering into the derivative contracts that match the maturity profile of estimated repayments of the Company's debt instruments.

The effectiveness of this strategy is assessed by comparing the changes in fair value of the interest rate swap with changes in fair value of the hedged debt attributable to the hedged risk, using the hypothetical derivative method.

The Company establishes the hedge ratio by matching the notional of the derivative with the principal of the specific debt instrument being hedged. Possible sources of ineffectiveness are as follows:

- Differences in timing of cash flows between debt instruments and interest rate swaps.
- A significant change in the credit risk or either party of the hedging relationship.
- Changes in the contractual terms or timing of the payments on the hedged item.

Hedged item

The following table contains detail of hedged exposures covered by the hedging activities:

	Carrying amount		Statement of financial position line item	Change in fair value of hedged item for effectiveness assessment	Cash flow hedge reserve	
	Assets	Liabilities			Continued hedges	Discontinued hedges
Interest rate risk						
Long-term borrowing	-	400,000,000	Long-term borrowings from financial institution	12,873,228	(12,873,228)	-

Hedging instrument

The following table sets out the maturity profile and average rate of the hedging instruments used in hedging activities:

	Maturity			
	Less than 3 months	3 months - 1 year	1- 5 years	More than 5 years
Interest rate risk				
Interest rate swap				
Notional amount	-	-	400,000,000	-
Average fixed interest rate	-	-	2.03	-

The following table contains detail of the hedging instruments used in the hedging activities:

	Notional amount	Carrying amount		Statement of financial position line item	Hedge ratio	Change in fair value used for calculating hedge effectiveness
		Assets	Liabilities			
Interest rate risk						
Interest rate swap	-	-	12,184,394	Derivative liabilities	1:1	(12,873,228)

Hedge effectiveness

The following table contains information regarding the effectiveness of the hedging relationships as well as impacts on profit or loss and other comprehensive income.

	Gain (Loss) recognised in OCI	Hedge ineffectiveness recognised in PL	Statement of comprehensive income line item that includes hedge ineffectiveness	Amounts reclassified from reserves to PL as		
				Hedge cash flows will no longer occur	Hedged item affected PL	Statement of comprehensive income line item that includes reclassified amount
Interest rate risk						
Interest rate swap	(12,873,228)	-	Gain (Loss) on hedging	-	688,834	Finance cost - interest expense

Reconciliation of reserves

The following table shows a reconciliation of each component of equity and other comprehensive income in relation to hedge accounting.

	Cash flow hedge reserve
Opening balance as at 1 January 2019	-
Amounts recognised in OCI:	
Cash flow hedge - Interest rate risk	
Effective portion of changes in fair value of interest rate swap	(12,873,228)
Amounts reclassified from reserves to PL	688,834
Closing balance as at 31 December 2019	(12,184,394)

16 Long-term borrowings from financial institution

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Non-current		
Long-term borrowings from financial institution	1,730,000,000	350,000,000
Total non-current borrowings	1,730,000,000	350,000,000
Total borrowings	1,730,000,000	350,000,000

The movements in long-term borrowings from financial institution for the years ended 31 December are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Opening balance	350,000,000	350,000,000
<u>Add</u> Additions during the year	1,730,000,000	-
<u>Less</u> Repayment during the year	(350,000,000)	-
Closing balance	1,730,000,000	350,000,000

The long-term borrowings from financial institution represent borrowings from the Term Loan Facility and Revolving Credit Facility Agreement which are denominated in Baht. The borrowings bear interest at the rate of THBFIX plus some margins and will be repayable in 2026.

The fair value of certain long-term borrowings as at 31 December 2019 assumed to approximate their carrying amount.

The fair value of long-term borrowings as at 31 December 2018 were Baht 351.26 million with the effective interest rate at 2.49%. The fair value of long-term borrowings were based on discounted cash flows using a discount rate based upon the borrowing rate which the management expected would be available to the Group and the Company at the statement of financial position date, and was within level 2 of the fair value hierarchy (Note 3.3).

Maturity of long-term borrowings from financial institution is as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Between 1 and 5 years	1,730,000,000	350,000,000
Total long-term borrowings from financial institution	1,730,000,000	350,000,000

17 Employee benefit obligations

Retirement benefits

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Present value of obligations	168,784	132,793	168,784	149,141
Liability in the statement of financial position	168,784	132,793	168,784	149,141

The movements in employee benefit obligations for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
At 1 January	132,793	138,869	149,141	134,692
Current service cost	28,640	8,859	12,292	12,182
Past service cost	21,707	1,459	21,707	608
Interest cost	3,978	3,380	3,978	3,317
Loss (Gain) on remeasurements	9,431	(7,125)	9,431	(7,125)
Transfer of employees	-	-	-	17,199
Benefits paid	(27,765)	(12,649)	(27,765)	(11,732)
At 31 December	168,784	132,793	168,784	149,141

The amounts recognised in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Current service cost	28,640	8,859	12,292	12,182
Past service cost	21,707	1,459	21,707	608
Interest cost	3,978	3,380	3,978	3,317
Total	54,325	13,698	37,977	16,107

The amounts recognised in other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Loss (Gain) from change in financial assumptions	19,847	(3,278)	19,847	(3,278)
Experience gain	(10,416)	(3,847)	(10,416)	(3,847)
Remeasurement in the year	9,431	(7,125)	9,431	(7,125)
Cumulative loss (gain) on remeasurement	6,823	(2,608)	6,662	(2,769)

On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The effects of the amendment were recognised as past service cost during the year.

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.80%	2.80%	1.80%	2.80%
Salary increase rate	4.50%	4.50%	4.50%	4.50%

Sensitivity analysis for principal actuarial assumptions used were as follows:

Consolidated and Separate financial statements					
Impact on defined benefit obligation					
	Change in assumption %	Increase in obligation		Decrease in obligation	
		2019	2018	2019	2018
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	+1.0%	-	-	(19,847)	(14,725)
	-1.0%	24,109	17,676	-	-
Salary increase rate	+1.0%	22,873	17,488	-	-
	-1.0%	-	-	(19,316)	(14,861)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 13.2 years (2018: 11.3 years).

Expected maturity analysis of undiscounted retirement was as follows:

	Consolidated and Separate financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
At 31 December 2019					
Retirement benefits	11,280	6,191	19,544	647,285	684,300
At 31 December 2018					
Retirement benefits	13,170	11,704	18,939	542,433	586,246

18 Share capital

	Consolidated and Separate financial statements	
	Number of authorised and issued shares Shares	Ordinary shares Baht
As at 1 January 2018	15,097,800	150,978,000
As at 31 December 2018	15,097,800	150,978,000
As at 31 December 2019	15,097,800	150,978,000

The total authorised number of ordinary shares is 15,097,800 ordinary shares (2018: 15,097,800 shares) with a par value of Baht 10 per share (2018: Baht 10 per share). All issued shares are fully paid-up.

19 Legal reserve

Under the Public Company Act, the Company is required to set aside as a legal reserve at least 5% of its net profits after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is non-distributable.

20 Hotel income

Hotel income for the years ended 31 December 2019 and 2018 comprise:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Room income	385,446,996	897,062,699	385,446,996	897,062,699
Food and beverage income	639,516,377	959,885,558	639,516,377	888,517,169
Other service income	276,208,937	348,397,591	273,840,695	297,389,770
Total hotel income	1,301,172,310	2,205,345,848	1,298,804,068	2,082,969,638

21 Other income

Other income for the years ended 31 December 2019 and 2018 comprise:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	299,745	691,623	847,849	1,236,291
Dividend income	-	-	27,040,000	60,760,000
Others	9,421,554	2,955,180	9,421,554	2,945,129
Total other income	9,721,299	3,646,803	37,309,403	64,941,420

22 Expenses by nature

The following expenditures, classified by nature, have been charged in arriving at (loss) profit before finance costs and income tax:

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Staff costs	523.96	479.51	523.96	444.33
Depreciation charge on property, plant and equipment (Note 9)	230.04	245.71	219.30	228.65
Amortisation charge on intangible assets (Note 10)	7.25	6.65	7.25	6.55
Operating lease	70.59	70.27	88.82	67.67
Repairs and maintenance	50.31	55.04	50.31	50.95
Loss on write-off of property, plant and equipment (Note 9)	79.97	0.31	79.97	0.31

23 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax	-	56,580,589	-	56,580,589
Deferred tax (Note 11)	(98,528,134)	960,371	(95,258,534)	(2,309,229)
Income tax (income) expense for the year	(98,528,134)	57,540,960	(95,258,534)	54,271,360

The tax on the Group's and the Company's (loss) profit before income tax differs from the amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
(Loss) Profit before income tax income (expense)	(469,446,247)	317,275,487	(448,749,291)	347,828,920
Tax rate	20.0%	20.0%	20.0%	20.0%
The result of accounting (loss) profit multiplied by tax rate	(93,889,249)	63,455,097	(89,749,858)	69,565,784
Tax effect of:				
Associates' results reported net of tax	(5,567,046)	(5,508,243)	-	-
Expense not deducted for tax purposes	353,153	168,633	514,822	297,711
Expense that are deductible at a greater amount from actual expenses	(615,498)	(771,444)	(615,498)	(3,439,817)
Income not subject to tax	-	-	(5,408,000)	(12,152,000)
Tax losses for which no deferred income tax asset was recognised	1,190,506	197,235	-	-
Adjustment in respect of prior year	-	(318)	-	(318)
Tax charge	(98,528,134)	57,540,960	(95,258,534)	54,271,360

24 Basic (loss) earnings per share

Basic (loss) earnings per share are calculated by dividing the net (loss) profit for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018
(Loss) Profit attributable to shareholders of the Company (Baht)	(370,918,113)	259,734,527	(353,490,757)	293,557,560
Weighted average number of ordinary shares in issue (Shares)	15,097,800	15,097,800	15,097,800	15,097,800
Basic (loss) earnings per share (Baht)	(24.57)	17.20	(23.41)	19.44

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

25 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company shares are held by Mandarin Oriental Holdings B.V. and the Charanachitta Family and Chaophaya Development Corporation Limited in the proportions of 42%, 30% and 11% respectively. The remaining 17% of the shares are widely held.

During the year, the Group has transactions with related companies in the normal course of business. Sales and purchases price of goods and services is determined on Cost Plus Method.

The Group had transactions with related companies for the years ended 31 December as follows:

a) Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Sales of goods and services rendered to:				
Subsidiaries	-	-	0.36	3.99
Other related parties	0.60	0.74	0.60	0.74
	0.60	0.74	0.96	4.73

b) Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Purchases of goods and services received from:				
Subsidiaries	-	-	36.05	23.79
Other related parties	101.39	173.88	101.30	164.43
	101.39	173.88	137.35	188.22

c) Outstanding balances arising from sales and purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Amounts due from related parties:				
Subsidiaries	-	-	68.81	68.09
Other related parties	2.92	2.53	2.92	2.53
Total	2.92	2.53	71.73	70.62
<u>Less</u> Allowance for doubtful accounts	-	-	(55.24)	(54.43)
	2.92	2.53	16.49	16.19
Amounts due to related parties:				
Subsidiaries	-	-	51.48	15.68
Other related parties	34.68	48.75	34.68	48.68
	34.68	48.75	86.16	64.36

d) Key management compensation

Directors and managements' remuneration comprises salaries, other benefits, and other remuneration.

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Short-term benefits	40.49	39.88	40.49	39.88
Post-employment benefits	1.26	0.60	1.26	0.60

The Company presents Directors' remuneration as part of administrative expenses.

26 Dividends

For the year ended 31 December 2019

At the Annual General Shareholders' meeting of the Company held on 25 April 2019, the shareholders passed a resolution to approve the payment of a final dividend from the Company's operating results for the period of July to December 2018 of Baht 9 per share for 15,097,800 shares, totalling Baht 135.88 million. The dividend was distributed to the shareholders on 24 May 2019. However, dividends of Baht 9,900 were not paid to certain shareholders due to disqualification.

For the year ended 31 December 2018

At the Annual General Shareholders' meeting of the Company held on 26 April 2018, the shareholders passed a resolution to approve the payment of a final dividend from the Company's operating results for the period of July to December 2017 of Baht 8 per share for 15,097,800 shares, totalling Baht 120.78 million. The dividend was distributed to the shareholders on 25 May 2018. However, dividends of Baht 8,800 were not paid to certain shareholders due to disqualification.

At the Board of Directors' meeting of the Company held on 25 October 2018, the Board of Directors passed a resolution to approve the payment of an interim dividend from the Company's operating results for the period of January to June 2018 of Baht 8 per share for 15,097,800 shares, totalling Baht 120.78 million. The dividend was distributed to the shareholders on 23 November 2018. However, dividends of Baht 8,800 were not paid to certain shareholders due to disqualification.

27 Segment information

Segment reporting is presented in respect of the Group's business segments. The primary format, business segments, is based on the Company's and its subsidiaries' management and internal reporting structure.

Inter-segment pricing is determined on mutually agreed terms.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest income, interest expenses, and corporate expenses.

Business segments

The Company and its subsidiaries comprise the following main business segments:

Segment 1 Hotel operation
Segment 2 Food and beverage

Timing of revenue recognition

Revenues from hotel operation are recognised when a performance obligation is satisfied over time.
Revenues from food and beverage are recognised when a performance obligation is satisfied at point in time.

Business segment results in the consolidated financial statements for the years ended 31 December 2019 and 2018 were as follows:

	(Unit: Thousand Baht)													
Consolidated financial statements														
	Hotel operation		Food and beverage		Other segments		Undistributed operating income (expenses)		Total		Elimination		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	385,447	897,063	639,516	959,886	276,458	357,212	-	-	1,301,421	2,214,161	(249)	(8,815)	1,301,172	2,205,346
Interest income	-	-	-	-	-	-	849	1,452	849	1,452	(549)	(760)	300	692
Other income	-	-	-	-	-	-	9,421	2,955	9,421	2,955	-	-	9,421	2,955
Total revenue	385,447	897,063	639,516	959,886	276,458	357,212	10,270	4,407	1,311,691	2,218,568	(798)	(9,575)	1,310,893	2,208,993
Cost of sales and services	(295,473)	(358,835)	(610,547)	(684,879)	(159,851)	(181,219)	-	-	(1,065,871)	(1,224,933)	249	8,815	(1,065,622)	(1,216,118)
Selling expenses	-	-	-	-	-	-	(117,535)	(97,734)	(117,535)	(97,734)	-	-	(117,535)	(97,734)
Administrative expenses	-	-	-	-	-	-	(600,155)	(596,611)	(600,155)	(596,611)	-	-	(600,155)	(596,611)
Total expenses	(295,473)	(358,835)	(610,547)	(684,879)	(159,851)	(181,219)	(717,690)	(694,345)	(1,783,561)	(1,919,278)	249	8,815	(1,783,312)	(1,910,463)
Share of profit of associates	-	-	-	-	-	-	27,835	27,541	27,835	27,541	-	-	27,835	27,541
(Loss) Profit before finance costs and income tax income (expense)	89,974	538,228	28,969	275,007	116,607	175,993	(679,585)	(662,397)	(444,035)	326,831	(549)	(760)	(444,584)	326,071
Finance costs - interest expense	-	-	-	-	-	-	(25,411)	(9,555)	(25,411)	(9,555)	549	760	(24,862)	(8,795)
Income tax income (expense)	-	-	-	-	-	-	98,528	(57,541)	98,528	(57,541)	-	-	98,528	(57,541)
(Loss) Profit for the year	89,974	538,228	28,969	275,007	116,607	175,993	(606,468)	(729,493)	(370,918)	259,735	-	-	(370,918)	259,735

28 Commitments

As at 31 December 2019, the Group and the Company have outstanding commitments as follows:

- The Company has entered into management and license agreements with its overseas affiliated companies. The agreements are effective from the year 1988 for a ten year period with options to extend for two further periods of ten years each. Subsequently, the Company exercised such options to extend for two further period of ten years each. The affiliated companies will provide service of hotel management and trademark to the Group. The Group is committed to pay fees based on these long-term management agreements on normal commercial terms.
- The Group and the Company have outstanding capital expenditure and construction commitments of Baht 426.86 million and Baht 426.86 million, respectively (2018: Baht 118.51 million and Baht 118.51 million, respectively).
- The future aggregate minimum lease payments under non-cancellable operating leases of the Group and the Company are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Not later than 1 year	52	65	71	83
Later than 1 year but not later than 5 years	189	197	261	270
Later than 5 years	776	824	989	1,055
Total operating lease commitments	1,017	1,086	1,321	1,408

29 Bank guarantees

As at 31 December 2019, there were outstanding bank guarantees of Baht 8.10 million and Baht 7.30 million issued by banks on behalf of the Group and the Company, respectively, in respect of certain performance bonds as required in the normal course of business (2018: Baht 8.10 million and Baht 7.30 million, respectively).

30 Financial instruments

As at 31 December 2018, the Company had interest rate cap contract for the long-term borrowings (Note 16) with the notional amount of Baht 350 million. The repayment was fully made during the year 2019.

The net fair values of the interest rate cap contract at the statements of financial position date are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Favorable on interest rate cap contract	-	2

The fair value of interest rate cap contract is within level 2 of fair value hierarchy (Note 3.3).

AUDITORS AND REMUNERATION

The Board of Directors had appointed Ms. Sinsiri Thangsombat, Auditors License No.7352 and/or Mr. Paiboon Tunkul, Auditor License No.4298 and/or Ms. Sakuna Yamsakul, Auditor License No.4906 of PricewaterhouseCoopers ABAS Limited as the Company's auditors and the remuneration for 2019 is Baht 1,678,100 (2018: Baht 1,632,100).

NON-AUDIT FEE

There were no transactions for non-audit fees with the auditors during the year 2019.

AUDIT COMMITTEE REPORT

The Audit Committee of OHTL Public Company Limited comprising three independent directors, namely Mr. Aswin Kongsiri, Mr. Surachai Sirivallop and Mr. William Zentgraf. The Audit Committee was appointed by the Board of Directors to perform duties and discharge responsibilities under the Audit Committee Charter and in accordance with the Stock Exchange of Thailand's regulations and Best Practice guidelines.

In 2019, the Audit Committee held a total of four meetings to discuss and share opinions with the management, senior management and external auditor. The Audit Committee considered reports presented by the management and the external auditor on matters related to the Company's financial operations as well as an internal control. There was one private meeting between the Audit Committee and the external auditor without the Company's management being present held on 21 January 2019 to discuss the preparation of the financial statements and disclosure in notes to the financial statements independently.

The list of Audit Committee members and number of attendance in 2019 is provided as per below table:

Audit Committee	Position	Meeting Attendance in 2019
1. Mr. Aswin Kongsiri	Chairman of Audit Committee	4/4
2. Mr. Surachai Sirivallop	Audit Committee	3/4
3. Mr. William Zentgraf	Audit Committee	3/4

The various matters which were considered by the Audit Committee and reported to the Board of Directors in 2019 included the following:

1. Review of financial statements

The Audit Committee reviewed the Company's quarterly and year end financial reports for the year 2019, which had already been reviewed and audited by the external auditor, before submission to the Board of Directors to extensively discuss about the accuracy, consistency and the appropriate disclosure of the Company's financial statements. The Audit Committee addressed important matters with executives, senior management and external auditors with regard to the significant transactions as well as the key audit matter during 2019. The Audit Committee met on 27 January 2020 to review annual financial statements for year 2019 with the external auditors focusing on accuracy of the report, consistency and any impact from changes in accounting policies and adequacy of information disclosure prior to submission to the Board of Directors for approval. The Audit Committee agreed with the external auditor that the Company's financial statements represented the Company's financial status and operating results fairly, in all material respects, in accordance with generally accepted accounting principles. Adequate and timely information was disclosed in the financial statements for the benefit of investors or potential investors.

2. Review of risk management

The Audit Committee acknowledged and monitored the risk management of the Company throughout the year 2019. The risk management plan and the achievement against the plan proposed by the Risk Management Committee have been reviewed and discussed. The Audit Committee provided recommendations on a quarterly basis to ensure the efficiency of the risk management of the Company. The Audit Committee expressed concerns on the new Cybersecurity Act which has come to full effect in May 2019 and may have an impact to the Company with regard to the customer's data privacy. The Audit Committee urged that the Company should organize a cyber security awareness training to all employees.

3. Review of internal control system and internal audit

The Audit Committee reviewed the 2019 internal auditor's conclusions, recommendations in relation to internal control systems, control of risks and submissions to the management to take action, as well as following up on the report on corrective action taken. The Audit Committee also reviewed the report from auditors on the internal audit results, the audit results of fire, life, health, safety and security audit. The Audit Committee viewed that the Company's internal controls system throughout 2019 was appropriate, and the management has achieved in term of applying the audit results, and the internal audit quality has been continuously improved.

4. Review of connected transactions

The Audit Committee reviewed connected transactions of the Group to ensure that these were conducted at arm's length with complete and adequate information disclosure. The Audit Committee viewed that there was no significant transactions during 2019.

5. Review of compliance with laws

The Committee reviewed the compliance with the Securities and Exchange Laws, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business. Based on the reports of the external auditor, internal auditor and Management, the Audit Committee deemed that the Company has complied with all related laws and regulations.

6. Appointment of the external auditor for 2020

The Audit Committee considered the current external auditor for its independence and performance and the audit fee for the year 2020. The Audit Committee viewed that the external auditor from PricewaterhouseCoopers ABAS Limited acted independently and demonstrated a sufficient degree of knowledge and experience required for the purposes of conducting the Company's external audit with a competitive audit fee. The Audit Committee subsequently proposed the nomination and appointment of the external auditor from PricewaterhouseCoopers ABAS limited and the annual audit fee for 2020 for submission to the Board of Directors for approval by the Annual General Meeting of the Shareholders.

Both external and internal auditors have unrestricted access to the Audit Committee. The Audit Committee maintains its independence in performing the duties as assigned. In this regard, the Audit Committee has received good corporation from Management and the external auditor. In summary, the Audit Committee is of the opinion that the Board of Directors and Management of the Company have operated the business ethically and were determined to perform their duties professionally to achieve the Company's goals, emphasizing on operating the business with effective internal control and internal audit systems, good corporate governance, appropriate risk management and continued development on operational systems throughout 2019.

Mr. Aswin Kongsiri
Chairman of Audit Committee
31 January 2020

CORPORATE GOVERNANCE

The Company is committed to adhering to the highest standards of corporate governance to ensure that it has efficient and transparent management systems to create trust and confidence amongst its shareholders, investors and stakeholders. The Company has developed its principles and policies of corporate governance based on the Principles of Good Corporate Governance promulgated by the Stock Exchange of Thailand.

Shareholders

Shareholders' Meeting

The Company holds a general shareholders' meeting annually. The Annual General Meeting for 2019 was held at the Sala Rim Naam of Mandarin Oriental, Bangkok. The minutes of shareholders' meeting were accurate and complete, and can be checked by the shareholders.

The Company sends notice of the shareholders' meeting together with the annual report, the agenda and the Board of Directors' recommendations to the shareholders 14 days in advance according to the regulations. Shareholders who cannot attend the meeting will be able to authorize their representatives or an Independent Director to attend on their behalf. The chairwoman of the meeting will allocate an appropriate period of time during the meeting for shareholders to express their concerns and raise questions related to the Company's operations.

Following each Annual General Meeting of Shareholders, the notifications of the resolutions of the Annual General Meeting will be filed with the Stock Exchange of Thailand in accordance with the regulations.

Shareholders' Rights

All shareholders have the same rights in casting their votes at shareholders' meetings and receiving dividends declared by the Company, which are assessed based on the number of shares held by such shareholders. All shareholders are given the right to vote on important matters such as the election of Directors, the remuneration for Directors, dividend distributions and the appointment of auditors.

Stakeholders

The Company recognizes the rights of all groups of its stakeholders including, but not limited to, its employees, business partners, commercial debtors, customers, the local community and the government. The Company seeks to treat all its stakeholders with fairness and respect in order to create an environment that promotes good society and sustainable development. In addition, the Company has always strictly complied with applicable laws and regulations when dealing with its stakeholders.

Directors and Operations Management

Policy on Corporate Governance

The Company's Board of Directors is aware of the importance of good corporate governance in promoting and strengthening the trust of shareholders, customers, and related parties, creating thorough management and acting with prudence for the greatest benefits which can be subject to auditing. The Board of Directors regularly reviews and adapts its policy on corporate governance to ensure that it remains relevant and up-to-date in the Company's current business environment.

Leadership and Vision

The Board of Directors is responsible for setting out the overall vision, policies, financial targets, business plans and budget for the Company. The Board of Directors monitors the Company's operations to ensure that the Company's operations management team implements the approach established by the Board of Directors in an efficient and effective manner and in accordance with relevant laws and ethical standards. The Board of Directors has set a system for internal control, auditing and risk management including following up said matters regularly.

The Board of Directors comprise of individuals who are business leaders and professionals, with various backgrounds and qualifications, including in finance, accounting, constructions, hospitality and business management, each of whom have the skills, experience and expertise that are useful to the Company. All

Directors are encouraged to express their opinions independently and to perform their duties in good faith, with due diligence and care, and in the best interests of the Company and all shareholders.

Balance of Power for Non-Executive Directors, Aggregation or Segregation of Positions

The Company's Board of Directors consisted of eleven people with four Independent Directors.

The Chairwoman of the Board of Directors does not have a management position in the Company under the principle of segregation of roles in policy formulation and oversight from those in operations management.

Appointment and Retirement of Directors

All Directors are appointed for a term of one year and are subject to retirement at each Annual General Meeting. These provisions apply to both executive and Independent Directors. Upon retiring from their positions, such Directors may offer themselves for re-election.

The Company has not established a nomination committee and new Directors are primarily sourced through referrals. To determine the suitability of a candidate who is proposed as a new Director, the Board of Directors will assess the skills, experience and expertise possessed by the candidate as well as the independence and integrity of the individual. From time to time as deemed necessary, the Board of Directors shall hold meeting to consider the suitability and appointment of new Directors.

Hotel Operations

The Board of Directors has approved the appointment of Mandarin Oriental Hotel Group ("MOHG") as its sole and exclusive agent to manage and operate the Hotel pursuant to a 30-year management contract, the terms of which were negotiated and agreed on market terms in 1988. In 2018, the Company has extended the agreements for another two further periods of ten years each.

MOHG is given full authority, discretion and responsibility to manage and operate the Hotel, including directing and instructing all Hotel employees and determining their remuneration.

The Board of Directors reviews and comments on each annual budget prior to the beginning of each fiscal year and monitors the Hotel's progress through monthly financial report provided throughout the fiscal year. The General Manager of the Hotel is also appointed as the Managing Director of the Company and in that capacity, regularly reports on the progress of the Hotel to the Board of Directors when required.

The Board of Directors are of the view that the terms of engagement of MOHG allow the international hotel operator the flexibility to run the Hotel in accordance with its global policies and practices while allowing the Company to accurately monitor the Hotel's process.

Committees, Directors' Reporting

The Company's Board of Directors has appointed a sub-committee to help oversee the following operations of the Company. The Audit Committee was set up on 22 April 1999.

1. The Audit Committee members are as follows:

Chairman of Audit Committee	Mr. Aswin Kongsiri
Member of Audit Committee	Mr. Surachai Sirivallop
Member of Audit Committee	Mr. William Zentgraf
2. The Audit Committee of the Company has the scope of duties and responsibilities, and shall report to the Board of Directors as follows:
 - 2.1 To review sufficiency, credibility and objectivity of the financial reports
 - 2.2 To review adequacy and effectiveness of internal control systems and internal audit functions
 - 2.3 To review adequacy and effectiveness of risk management policies and practices
 - 2.4 To review and prevent conflict of interest
 - 2.5 To review compliance with the Securities and Exchange Act, Regulations of Stock Exchange of Thailand, and any other relevant laws
 - 2.6 To review documents for internal review when there is suspicion of corruption of there are abnormal transactions in the internal control system

- 2.7 To issue instructions and review documents when there is suspicion of not complying with laws or any SET's regulations which may have an impact on the financial status and operational results of the Company in a significant way
- 2.8 To take care of any other matters assigned to it by the Board of Directors

Board of Directors' Report

The Board of Directors is responsible for the Company's consolidated financial statements and financial information stated in the annual report. The said financial statements are prepared in conformity with generally accepted accounting standards. Material information is disclosed in the notes to the financial statements.

The Board of Directors places importance on an effective internal control system to ensure the accuracy, completeness and sufficiency of financial information to maintain assets and to prevent fraud. For this reason, the Board of Directors appointed an Audit Committee which comprises Directors not dealing in management to be responsible for the quality of financial statements and the internal control system. The results of the review by the Audit Committee appears in the Audit Committee Report in the annual report.

The Board of Directors has reviewed the Company's overall internal control system which is at a satisfactory level and can assure the reliability of the consolidated financial reports as at 31 December 2019.

Remuneration of Board Members and Management

Total Directors fees for eleven Directors	3,000,000 Baht
Total Remuneration for seven management members	37,488,915 Baht
Management receives salary, bonus, provident fund and life insurance.	

The Board of Directors sets the policies regarding the Directors' remuneration clearly and transparently, taking into account industry practice and the need to sufficiently remunerate individuals in order to maintain appropriately qualified Directors. The remuneration for the Board of Directors is subject to approval of the shareholders at the Annual General Meeting. From time to time as deemed necessary, the Board of Directors shall hold meetings to consider the remuneration for the Directors.

The remuneration for the Hotel management, including the Managing Director, is determined by MOHG in accordance with the terms of its management contract with the Company. MOHG's decisions in compensation and benefits are based on its policies and philosophy to establish and maintain levels of compensation and benefits that are competitive amongst and benchmarked against the Hotel's key competitors while also taking into account local compensation and benefits surveys.

Board of Directors' Meeting

The Board of Directors generally holds a meeting on a quarterly basis and special additional sessions are convened as necessary. For 2019, there were four regular meetings. The Company Secretary prepares and circulates the agenda and relevant documents seven days before the meeting to allow each member of the Board of Directors time to consider and review information. Each meeting takes about two to three hours. During each meeting, appropriate time is allocated for operations management presentations (where required) and comprehensive Directors' discussions. Persons attending the Board meetings will include the Directors, the Company Secretary, the Hotel Manager and presenters of items on the agenda for the Board meeting. The Board of Directors regularly conducts a self-assessment of its performance as a whole and specifically on particular issues, as required.

For 2019, the attendance of Board of Directors' meeting for each Director can be summarized as follows:

Board of Directors	Meeting Attendance	Meeting Attendance %
1. Mrs. Nijaporn Charanachitta	4/4	100%
2. Mr. Peter James Holland Riley	3/4	75%
3. Mr. Craig Alan Beattie	4/4	100%
4. Mr. Yuthachai Charanachitta	3/4	75%
5. Mr. Archibald David Keswick*	2/4	50%
Mr. Bertram Edward Johnston Weatherall**	1/4	25%
6. Mr. Richard Daniel Baker	4/4	100%
7. Mr. Gregory Bruce Liddell	4/4	100%
8. Mr. Aswin Kongsiri	3/4	75%
9. Mr. Surachai Sirivallop	3/4	75%
10. Mr. William Zentgraf	3/4	75%
11. Mr. Sirichai Sombutsiri	4/4	100%

* (1 January 2019 – 23 October 2019)/ ** (24 October 2019 – 31 December 2019)

Minutes of the meetings have been recorded and endorsed by Directors so that can be checked by interested parties.

Company Secretary

The Company Secretary provides support to the Board of Directors in obtaining legal advice, rendering recommendations on rules, regulations and laws, coordinating the activities of the Board of Directors and monitoring the Company's activities for compliance with the Board of Directors' resolutions.

Board and Management Training

The Board of Directors supports all Directors management executives and employees in seeking to improve and update their qualifications and skills through training. Management executives are also encouraged to monitor their subordinates so the Company maintains a depth of skilled and talented staff in the operation of the Company's business.

Conflict of Interest

The Board has drawn up a set of rules regarding conflict of interest in the code of conduct for Directors and employees. Careful consideration of any conflict of interest is implemented in compliance with the Stock Exchange of Thailand's regulation.

The company has a policy regarding the prevention of using inside information for personal benefits. Anyone who has no duty and responsibility in preparing financial reports cannot have access to the information unless it has been announced to the public. Moreover, all executives and personnel must immediately report to the Company Secretary any changes in their shareholding so that this information will be reported to the Chairwoman of the Board of Directors.

Business Ethics

A written code of conduct has been prepared for the Board of Directors, management and employees to serve as a guideline in executing their duties honestly to both the Company and every group of stakeholders, including the public and society. The Company also hold staff meetings regularly to communicate and follow the said guideline.

Control System and Internal Audit

The Company places importance on efficient control at both management and operational levels. There is supervision to ensure that Company's assets are used solely for the Company's benefits. There is segregation of duties for operational staff, supervisors and those undertaking evaluation to ensure the balance of auditing and controlling is appropriate. The Company is confident of the effectiveness of its internal control systems in protecting its assets and those of its subsidiaries.

Please refer to the Audit Committee Report.

Disclosure of Information and Transparency

Investor Relations

The Board of Directors recognizes the importance of accuracy, completeness and transparency of the information in both financial statements and general information including the critical regarding the Company's share price. Information is disseminated via the Stock Exchange of Thailand. The Company has not established an investor relations section but has assigned the Company's Finance Director to act as its representative in meeting with investors, shareholders as well as analyst and related government sectors. Investors can contact the Finance Director for more information at Tel. +662 659 0499 or email: Siriwan@mohg.com or the Company annual information disclosure form (form 56-1) at www.sec.or.th.

The Board of Directors adheres to the Code of Best Practices as exercised by the boards of listed companies and the Stock Exchange of Thailand.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Mandarin Oriental, Bangkok's firm commitment to the integral quality of its services is linked to the commitment to operating with the highest ethical, environmental sustainability and social responsibility standards. Mandarin Oriental, Bangkok's mission and vision to be recognized as the best luxury hotel in the world is based on our guiding principle of Responsibility. It is understood that long-term success depends on the health and prosperity of the communities in which it operates and therefore we commit to improving the quality of life of our community by focusing on its needs, with particular emphasis on strengthening sustainability.

In 2019, Mandarin Oriental, Bangkok demonstrated its accountability to the community through:

Social Activities

We, as 'the Oriental Family', pulled together the initiative of 'Day Trips - Giving Back to Society' at Samutprakarn and Ratchaburi province. Throughout the year, 9 trips were organized with 1,225 colleagues' participation who provided 6,125 hours of services. The first 3 trips restored the Canteen and the Thai musical Instruments room at Wat Bangkhamin School in Samut Prakarn. The remaining trips focused on refurbishing the education and recreational facilities of Banrangsrinmork School in Ratchaburi. In December, 40 children from Baan Nokkamin Foundation visited the hotel for 'Half day Basic Life Skill' training sessions implemented and participated by 30 colleagues who contributed 150 hours in total.

Community Activities

Moreover, as part of our Guiding Principle 'Acting with Responsibility', we supported our nearby communities on National Children's Day. In August, 147 students from 4 schools visited the hotel for Basic Life Skill training sessions conducted and participated by our own 80 colleagues with 560 hours in total. Our colleagues joined force with the nearby French Embassy and students from Mahidol University to participate in the 'Clean up the World' campaign where we cleaned up the Chao Phraya River and the surrounding neighborhood. Through this initiative we also raised awareness about the importance of reducing single- used plastics to all surrounding food vendors.

Advancing Sustainability

Mandarin Oriental, Bangkok strives to mitigate environmental risks by embedding sustainability strategies into our business model. We utilize the **"Reduce, Reuse, Recycle and Upcycle"** model to reduce waste. 55,824 kg of food waste was processed and donated as farm feed and 1,101 chemical plastic tanks were collected and recycled. Our paperless meeting initiative reduced paper usage by 1,852 reams compared to 2018. 7,631 liters of recovered used oil were recycled to produce biodiesel and used cans were collected to contribute towards the creation of prosthetic limbs.

Focused efforts ensured the hotel was also able to make significant progress on eliminating single use plastic. All food packaging for takeaway orders were replaced with paper bags or reusable containers. Plastic water bottles were replaced with biodegradable containers. All single use minibar packaging and in room toiletries were replaced with non-plastic biodegradable items. We proudly received 'Oceanic Champion Badge' certificate from Oceanic Standard in October 2019. We are in progress to obtain the final significant 'Plastic Free badge' in 2020.

Mandarin Oriental, Bangkok will remain focused on our goal to eradicate single use plastic throughout the entire hotel operation by March 2021.

STATISTICAL INFORMATION

	2019	2018	2017	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Balance Sheet					
Fixed assets	2,624.8	1,426.4	1,458.2	1,631.1	1,561.1
Net current liabilities	552.1	160.9	222.6	379.1	345.8
Non-current liabilities	2,088.7	654.2	655.0	703.7	628.0
Shareholder's funds	263.8	787.8	764.1	737.1	776.9
(Loss) / Profit					
(Loss) / Profit before financing charges					
and taxation	(444.6)	326.1	283.5	203.5	219.5
(Loss) / Profit before taxation	(469.4)	317.3	268.5	187.3	207.7
(Loss) / Profit attributable to shareholders	(370.9)	259.7	215.9	152.7	166.0
Dividends paid	135.9	241.7	181.2	196.3	211.4
Shares					
(Loss) / Earnings per share (Baht)	(24.6)	17.2	14.3	10.1	11.0
Dividend per share (Baht)	9.0	16.0	12.0	13.0	14.0
Total asset value per share (Baht)	212.0	123.8	125.2	141.4	132.7
Number of shares (Million shares)	15.1	15.1	15.1	15.1	15.1
Par value per share (Baht)	10.0	10.0	10.0	10.0	10.0

SUBSIDIARIES AND ASSOCIATED COMPANIES

Company's name	Nature of business	% Equity interest	Paid-up capital Million Baht
Baan Rim Naam Chao Phraya Co., Ltd.	Restaurant and Spa	100.0	0.1
Siam Flight Services Ltd.	Airline catering	26.0	3.0
Bagan Hotel Holding (Thailand) Co., Ltd.	Investment holding	100.0	4.0
Bagan Hotel Holding Company (BVI) Ltd.	Investment in a Myanmar hotel project	50.0	81.2

MANAGEMENT DISCUSSION AND ANALYSIS

THE OPERATING PERFORMANCE AND FINANCIAL STATUS

OVERVIEW

Mandarin Oriental, Bangkok reported a loss of Baht 370.9 million compared to a profit of Baht 259.7 million last year. The River Wing renovation impacted hotel revenue which decreased by Baht 904.2 million or 41.0% over 2018.

REVENUE

The Company had hotel income of Baht 1,301.2 million in 2019, down substantially due to the planned River Wing renovation works which significantly reduced available room inventory for sale. The completion of the rooms renovation has been delayed. As a result, the available room inventory was lower than expected in the last quarter of 2019. The common areas including Food and Beverage outlets were completed on time with remaining room inventory to be completed mid-year 2020.

Consequently, hotel income for year-end 2019 decreased by Baht 904.2 million or 41.0% compared to year-end 2018. Without effecting guest experiences, cost containment measures were carefully implemented throughout 2019 in anticipation of the River Wing renovation to mitigate the decrease in revenue.

OPERATING EXPENSES

The Company recorded cost of sales and services of Baht 1,065.6 million in 2019, decreasing by Baht 150.5 million or 12.4% versus 2018. Operating expenses which included the write-off of plant and equipment increased by Baht 23.3 million or 3.4% compared to year 2018.

Additional finance costs of Baht 16.1 million were derived from interest on short-term and long-term loans that the Company had drawn down for the hotel operations and the River Wing renovation project.

NET PROFIT/LOSS

Year-end 2019, the Company closed with a net loss of Baht 370.9 million, compared to year-end 2018's net profit of Baht 259.7 million. Excluding one-off items, net loss would have closed at Baht 259.9 million. These include write-off of plant and equipment from the renovation of River Wing building amounting to Baht 80.0 million and adjustment provision of retirement benefit as per new Labor Protection Act effective on 5 May 2019 of Baht 31.0 million.

ASSETS

As at 31 December 2019, the Company's consolidated assets amounted to Baht 3,201.3 million, an increase of Baht 1,332.9 million or 71.3% from Baht 1,868.4 million as at the end of 2018 mainly due to the following factors:

1. Property, plant and equipment of Baht 2,609.1 million (2018: Baht 1,409.8 million) increased Baht 1,199.3 million due to investment in the River Wing renovation.
2. Deferred tax assets of Baht 144.7 million (2018: Baht 41.8) increased Baht 102.9 million due to the Company recorded tax loss in 2019 as deferred tax assets of Baht 92.9 million.

LIABILITIES

The Company's consolidated liabilities as at 31 December 2019 amounted to Baht 2,937.5 million, an increase of Baht 1,857.0 million or 171.9% from Baht 1,080.5 million in 2018. These liabilities included outstanding bank loans at Baht 2,150.0 million (2018: Baht 420.0 million) due to the River Wing Renovation costs and operating costs incurred during the renovation.

SHAREHOLDERS' EQUITY

Shareholders' equity as at 31 December 2019 was Baht 263.8 million, a decrease of Baht 524.1 million or 66.5% from Baht 787.8 million in 2018. This comprised of the following:

1. Authorized share capital of Baht 151.0 million (2018: Baht 151.0 million)
2. Legal reserve of Baht 16.0 million (2018: Baht 16.0 million)
3. Retained earnings of Baht 96.8 million (2018: Baht 620.9 million).

The book value per share decreased from Baht 52.2 per share in 2018 to Baht 17.5 per share in 2019 mainly due to the net loss incurred in 2019.

CASH FLOWS

The cash flow statement shows the cash flows from operating, investing and financing activities during the year. The ending balance of cash and cash equivalent as at 31 December 2019 was Baht 110.8 million, a decrease of Baht 3.6 million from last year's balance of Baht 114.4 million, as a result of the following:

1. The net cash outflow from operating activities of Baht 205.6 million which was a decrease of Baht 656.5 million from the net cash inflow generated from Baht 450.8 million in 2018, due to the closure of the River Wing for renovation.
2. The net cash used in investing activities was Baht 1,392.1 million, an increase of Baht 1,215.6 million from Baht 176.5 million in 2018, mainly due to additional purchase of property, plant and equipment relating to the River Wing renovation.
3. The net cash from financing activities was Baht 1,594.1 million, an increase of Baht 1,835.9 million from the net cash used in financing activities of Baht 241.7 million in 2018, mainly due to the net proceeds from loans increased by totaling Baht 1,730.0 million for the River Wing renovation and hotel operation while the dividend payment decreased by Baht 105.9 million.

COMMITMENTS

As at 31 December 2019, the Company and its subsidiaries have the following outstanding commitments:

1. The Company has entered into management and license agreements with its overseas affiliated companies. The agreements are effective from the year 1988 for a ten year period with options to extend for two further periods of ten years each. Subsequently, the Company exercised such options to extend for two further period of ten years each. The affiliated companies will provide service of hotel management and trademark to the Group. The Group is committed to pay fees based on these long-term management agreements on normal commercial terms.

2. The following lease commitments are payable by the Company and its subsidiaries:

Lease commitments paid by the Company	The Group (Million Baht)	The Company (Million Baht)
Not later than 1 year	52	71
Later than 1 year but not later than 5 years	189	261
Later than 5 years	776	989
Total lease commitments payable as at 31 December 2019	1,017	1,321
Total lease commitments payable as at 31 December 2018	1,086	1,408

3. The Group and the Company have outstanding capital expenditure and construction commitments of Baht 426.86 million and Baht 426.86 million, respectively (2018: Baht 118.51 million and Baht 118.51 million, respectively).

PERFORMANCE OF BUSINESS FUNCTIONS

REVENUE STRUCTURE

Nature of business	Managed by	%	2017		2018		2019	
			Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
Hotel, Restaurants and Spa	OHTL Public Company Limited							
	- Room revenue		876.3		897.1		385.4	
	- Food & Beverage revenue		777.7		888.5		639.5	
	- Spa revenue		-		28.1		36.5	
	- Others revenue		262.6		249.2		211.1	
	Total revenue		1,916.6	88.7	2,062.9	92.3	1,272.5	95.0
Restaurant, Spa, and Land and building leases	Baan Rim Naam Chao Phraya Company Limited	100.0						
	- Food & Beverage revenue		115.2		71.4		-	
	- Spa revenue		74.3		39.8		-	
	- Land and building leases		-		-		36.0	
	- Others revenue		27.8		34.9		2.4	
	Total revenue		217.3	10.1	146.1	6.5	38.4	2.9
Investment holding	Bagan Hotel Holding (Thailand) Company Limited	100.0	-	-	-	-	-	-
Airline catering	Siam Flight Services Limited	26.0	25.7	1.2	27.5	1.2	27.8	2.1
	Grand total		2,159.6	100.0	2,236.5	100.0	1,338.7	100.0

THE INDUSTRY AND COMPETITION: RISK FACTORS

THE INDUSTRY AND COMPETITION

The oversupply of hotel rooms in Bangkok is expected to continue in 2020. Tourism continues to be affected by concerns of travelers in term of with the large supply of hotel rooms puts pressure on citywide hotel occupancy levels, and average room rates in particular. The Company continues to maintain the hotel and its operation to the highest standard to ensure consistent recognition as one of the best hotels in the world and to maintain its leading position in the local market.

RISK FACTORS

The hotel's business levels may be adversely impacted by a number of risks, including the impact of a loss of business caused by several factors including political uncertainty and global security risk, the possibility of a natural disaster, terrorism and the Virus COVID-19 outbreak during 2020.

The Company will also face the risk of increased competition in the future as more new hotels are added to the city's supply of luxury hotels. In addition, the Company's activities are also exposed to a variety of financial risks, including the effect from

changes in interest rates, foreign currency exchange rates and credit risk.

Risk management is carried out by the Company's management. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company. The Company has normal exposure to interest rate risk which relates primarily to deposits at banks and loans from banks. The Company has put hedging in place in the form of interest rate caps in order to partially mitigate the risk of increased interest rates.

The Company continues to place significant emphasis on the maintenance of the property. Fire, Life, Health, Safety, Security and Environmental issues remain a top priority in order to protect the safety of its guests and colleagues.

Risk associated with completion of the River Wing Renovation Project could expose the Company to increased cost i.e. the fluctuation or increase of the costs of the Project. In addition, rooms revenues could be lower if inventory is not available for the peak winter season.

THE COMPANY'S STRUCTURE

The Company's structure is composed of The Board of Directors and The Audit Committee.

The Board of Directors is composed of eleven Directors:-

1. Mrs. Nijaporn Charanachitta	Chairwoman of Board of Directors
2. Mr. Peter James Holland Riley	Director
3. Mr. Craig Alan Beattie	Director
4. Mr. Yuthachai Charanachitta	Director
5. Mr. Archibald David Keswick (28 April 2016 – 23 October 2019)	Director
Mr. Bertram Edward Johnston Weatherall (24 October 2019 - present)	Director
6. Mr. Richard Daniel Baker	Director
7. Mr. Gregory Bruce Liddell	Director and Managing Director
8. Mr. Aswin Kongsiri	Independent Director
9. Mr. Surachai Sirivallop	Independent Director
10. Mr. William Zentgraf	Independent Director
11. Mr. Sirichai Sombutsiri	Independent Director

The Audit Committee is composed of three Directors:-

1. Mr. Aswin Kongsiri	Chairman of Audit Committee
2. Mr. Surachai Sirivallop	Audit Committee
3. Mr. William Zentgraf	Audit Committee

Numbers and names of the Directors who are authorized to sign to bind the Company are Mrs. Nijaporn Charanachitta or Mr. Yuthachai Charanachitta signing with Mr. Peter James Holland Riley or Mr. Craig Alan Beattie or Mr. Gregory Bruce Liddell together with the Company's seal affixed.

The election of a Director is voted by cumulative voting under section 70 of the Public Limited Companies Act. All shareholders shall have equal right to vote for the election of a Director in accordance with the number of shares held in the Company. The current Board of Directors is composed of two groups of major shareholders: five Directors from Mandarin Oriental Hotel Group consisting of Mr. Peter James Holland Riley, Mr. Craig Alan Beattie, Mr. Archibald David Keswick (28 April 2016 – 23 October 2019)/ Mr. Bertram Edward Johnston Weatherall (24 October 2019 - present), Mr. Richard Daniel Baker and Mr. Gregory Bruce Liddell, and two Directors from ItalThai Group consisting of Mrs. Nijaporn Charanachitta and Mr. Yuthachai Charanachitta. The other four Directors are Independent Directors.

CODE OF BEST PRACTICES

The Board of Directors has developed its principles of corporate governance based on the code of best practices of the Stock Exchange of Thailand in good corporate governance.

USED OF INTERNAL INFORMATION

The management has to report the trading of stocks. The Board of Directors received the internal audit report from the Audit Committee that the Company's internal audit has been done adequately and appropriately which can protect the assets of both the Company and its subsidiaries. No one can have privileged use of the Company's assets without prior approval.

SHAREHOLDERS

GROUP OF SHAREHOLDERS	31 DECEMBER 2019	
	Number of Shares	%
Group of Mandarin Oriental Holding B.V.	7,183,500	47.58

LIST OF MAJOR SHAREHOLDERS	31 DECEMBER 2019	
	Number of Shares	%
Mandarin Oriental Holdings B.V.	6,399,500	42.39
Mrs. Nijaporn Charanachitta	3,506,098	23.22
Chaophaya Development Corporation Limited	1,600,000	10.60
Thailand Securities Depository Co.,Ltd.for Depositors(Local)	1,478,154	9.79
Thailand Securities Depository Co.,Ltd.for Depositors(Foreign)	699,224	4.63
Mrs. Pilaichit Reungpittaya	285,019	1.89
Mr. Premchai Karnasuta	271,520	1.80
Mr. Yuthachai Charanachitta	235,250	1.56
DBS BANK LTD	231,300	1.53
Ms. Chamaimas Karnasuta	127,954	0.85

COMPANY INVESTMENT

Company's name	Head office address	Nature of business	Paid-up capital	Equity interest	Capital	Value of investment	Major shareholder and Other shareholder
			(%)	(%)	(Million Baht)	(Million Baht)	
Baan Rim Naam Chao Phraya Company Limited	Bangkok	Restaurant and Spa	100.0	100.0	0.1	(195.1)	
Bagan Hotel Holding (Thailand) Company Limited	Bangkok	Investment holding	100.0	100.0	4.0	(54.9)	
Siam Flight Services Limited	Bangkok	Airline catering	100.0	26.0	9.5	79.1	LSG Catering (Thailand) Limited
Bagan Hotel Holding Company (BVI) Limited	Hong Kong	Investment in a Myanmar hotel project	100.0	50.0	40.6	-	

