

MANDARIN ORIENTAL,
BANGKOK
ANNUAL REPORT
2020



For more than 144 years, travellers have followed the Chao Phraya River to stay at the legendary Mandarin Oriental, Bangkok. A luxury five-star hotel in one of the world's most exciting cities, we enjoy a reputation for style, service and excellence. A haven of calm on the banks of the river, Mandarin Oriental, Bangkok is a truly remarkable hotel. This iconic hotel has reopened the River Wing following the largest renovation in our 144-year history. This stunning transformation has further enhanced the accommodations and facilities in our iconic hotel, while maintaining our classic, Thai-influenced elegance and unique resort style.

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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
Chairperson of Board of Directors
Mr. Peter James Holland Riley
Director
Mr. Craig Alan Beattie
Director
Mr. Yuthachai Charanachitta
Director
Mr. Bertram Edward Johnston Weatherall
Director
Mr. Richard Daniel Baker (26/04/18 - 23/07/20)
Mr. Christoph Joseph Wilhelm Mares (24/07/20 - Present)
Director
Mr. Gregory Bruce Liddell (27/04/17 - 30/09/20)
Mr. Anthony John Tyler (01/10/20 - Present)
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 (01/01/16 - 30/09/20)
Ms. Ubonwadee Maneesai (28/10/20 - Present)

OPERATIONAL EXECUTIVES

Mr. Gregory Bruce Liddell (27/04/17 - 30/09/20)
Mr. Anthony John Tyler (01/10/20 - Present)
Managing Director
Mr. Franck Droin
Hotel Manager
Ms. Siriwan Chamnannarongsak (01/01/16 - 30/09/20)
Director of Finance
Ms. Ubonwadee Maneesai (22/07/19 - Present)
Financial Controller
Mr. Geoffrey Webb
Director of Commercial Strategy
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. Chairperson 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, Hong Kong Group Finance Director of 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 of 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. Bertram Edward Johnston Weatherall	<ul style="list-style-type: none"> Trinity College Dublin, Republic of Ireland Eton College, United Kingdom 	<ul style="list-style-type: none"> Delivery & Restaurant Solutions Manager, Jardine Restaurant Group, Jardine Matheson Gammon Construction Ltd., Jardine Matheson
Mr. Richard Daniel Baker (26/04/18 - 23/07/20)	<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. Christoph Joseph Wilhelm Mares (24/07/20 - Present)	<ul style="list-style-type: none"> M.B.A., RMIT University, Melbourne, Australia B.A., RMIT University, Melbourne, Australia 	<ul style="list-style-type: none"> Chief Operating Officer, Mandarin Oriental Hotel Group, Hong Kong Executive Vice President & Director of Operations EMEA & India, Mandarin Oriental Hotel Group, London
Mr. Gregory Bruce Liddell (27/04/17 - 30/09/20)	<ul style="list-style-type: none"> Bachelor of Commerce, University of Wollongong, NSW, Australia 	<ul style="list-style-type: none"> General Manager, Mandarin Oriental, Bangkok General Manager, Mandarin Oriental, Barcelona
Mr. Anthony John Tyler (01/10/20 - Present)	<ul style="list-style-type: none"> B.A., Hotel Management, Ecole hôtelière de Lausanne (EHL), Switzerland 	<ul style="list-style-type: none"> General Manager, Mandarin Oriental, Bangkok General Manager, Mandarin Oriental, Guangzhou
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, 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 Chamnannarongsak (01/01/16 - 30/09/20)	<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
Ms. Ubonwadee Maneesai (22/07/19 - Present)	<ul style="list-style-type: none"> M.B.A., Chulalongkorn University B.A., Accounting, Chiang Mai University 	<ul style="list-style-type: none"> Finance Controller, Mandarin Oriental, Bangkok Financial Controller, Shangri-La Hotel, Chiang Mai
Mr. Geoffrey Webb	<ul style="list-style-type: none"> Associate Diploma in Hotel Management and Catering Science, Ryde College of Hotel Management and Catering Science 	<ul style="list-style-type: none"> Director of Commercial Strategy, Mandarin Oriental, Bangkok Director of Sales, The Peninsula, Bangkok
Ms. Patama Lerdwittayasakun	<ul style="list-style-type: none"> Bachelor of Arts, Major in 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, 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

REMUNERATION AND SHARES HELD BY

DIRECTORS IN THE YEAR 2020

AS AT 31 DECEMBER 2020

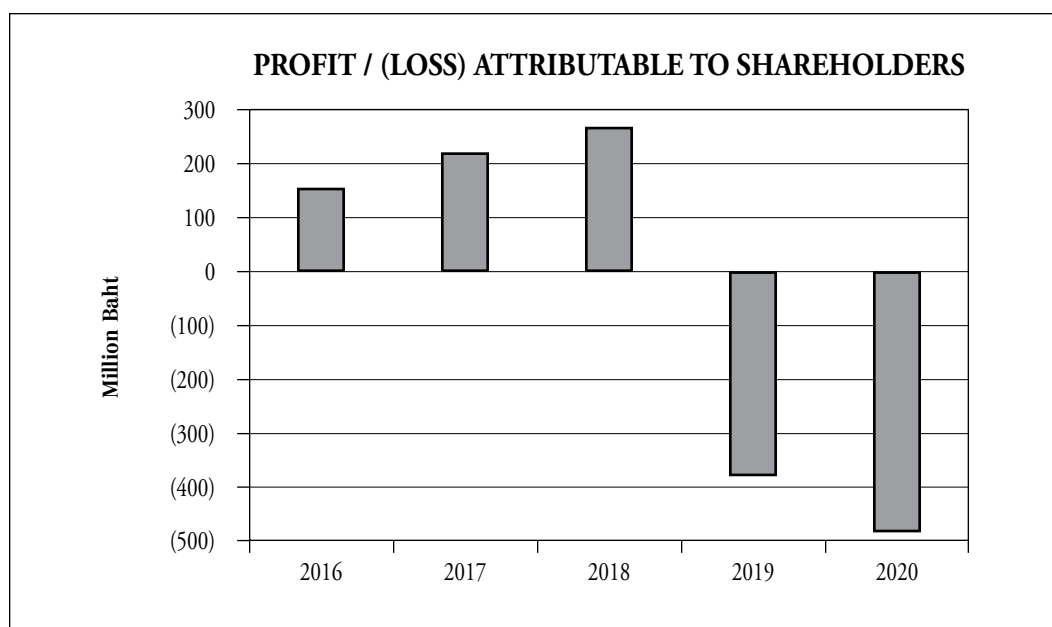
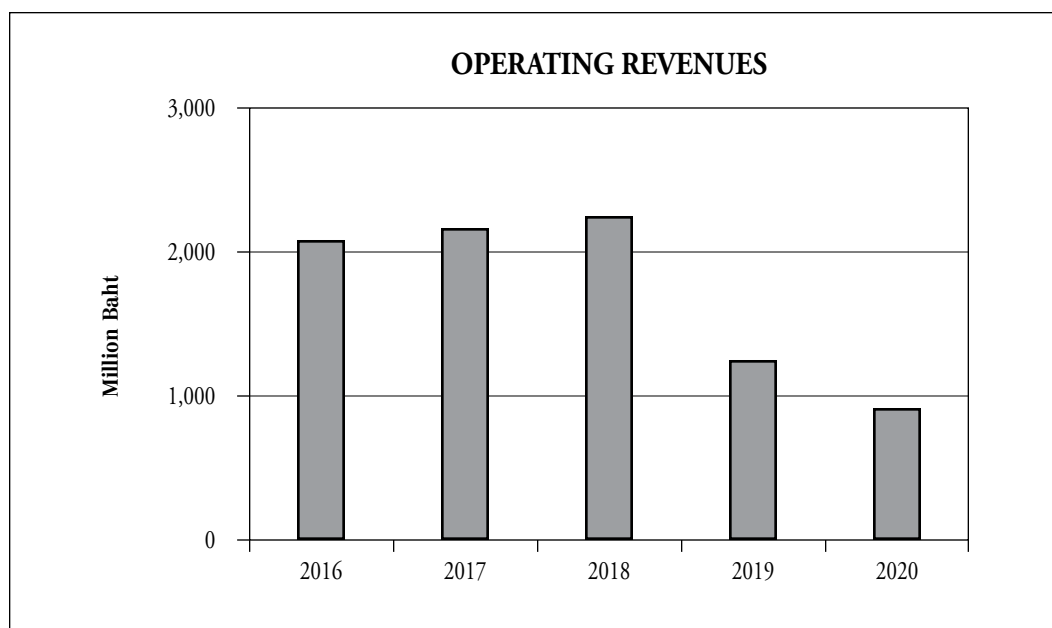
Board of Directors	Remuneration (Baht)	Number of OHTL Shares Held (Shares)
Mrs. Nijaporn Charanachitta	300,000	3,506,098
Mr. Peter James Holland Riley	200,000	-
Mr. Craig Alan Beattie	200,000	-
Mr. Yuthachai Charanachitta	200,000	235,750
Mr. Bertram Edward Johnston Weatherall	200,000	-
Mr. Richard Daniel Baker*	112,022	-
Mr. Christoph Joseph Wilhelm Mares *	87,978	-
Mr. Gregory Bruce Liddell*	149,727	-
Mr. Anthony John Tyler *	50,273	-
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	

Remark*

- Mr. Richard Daniel Baker has resigned effective 24 July 2020.
- Mr. Gregory Bruce Liddell has resigned effective 1 October 2020.
- Mr. Christoph Joseph Wilhelm Mares was appointed on 24 July 2020.
- Mr. Anthony John Tyler was appointed on 1 October 2020.

FINANCIAL HIGHLIGHTS

	2020 Million Baht	2019 Million Baht
Operating revenues	913.7	1,301.2
Profit / (Loss) before taxation	(572.3)	(469.4)
Profit / (Loss) attributable to shareholders	(480.1)	(370.9)



MESSAGE FROM THE MANAGING DIRECTOR

Mandarin Oriental, Bangkok reported a hotel income of Baht 913.7 million, a decrease of Baht 387.5 million or 29.8% compared to year-end 2019. The decrease in hotel revenue was attributable to a significant decrease in demand in the face of Covid-19 which led to the temporary closure of the hotel's restaurants, banqueting facilities, spa, fitness centre and other facilities throughout Q2.

Mandarin Oriental, Bangkok continues to be regarded as Thailand's most iconic hotel. Le Normandie retained its two-star rating in the 2020 edition of the Michelin Guide and Bamboo Bar was featured in Asia's 50 Best Bars 2020, ranked at No.7 in Asia and No.1 in Thailand. 2020 also saw the hotel host a number of high-profile culinary events, including a very well received promotions by three Michelin starred Chef Alain Roux of The Waterside Inn.

In line with the responsibility that comes with being so integral to the social fabric of the city, the hotel actively engaged in a number of Corporate Social Responsibility and Sustainability initiatives. In addition to taking part in 'Clean Up the World 2020' which encouraged local communities to clean up their neighbourhoods and river canals, the hotel partnered with charitable organisations and initiated a series of activities to support health care workers and those affected by Covid-19. This included providing 1,000 daily meals to the Thai Red Cross Society from May to July in support of healthcare workers working with Covid-19 patients at King Chulalongkorn Memorial Hospital.

In line with Mandarin Oriental's company-wide commitment to sustainability, all in room toiletries were replaced with non-plastic biodegradable items and the hotel is working on fully eradicating single use plastic throughout its entire operation by Q1 2021. The hotel has been awarded the Oceanic Champion Badge certificate from Oceanic Standard in recognition of its efforts to address single use plastic.

RESULTS

The hotel reported a net loss for the year 2020 of Baht 480.1 million, compared to year-end 2019's net loss of Baht 370.9 million. The hotel's occupancy decreased from 15.4% in 2019 to 11.3% in 2020 and the average room rate decreased from Baht 20,417.8 in 2019 to Baht 16,104.9 in 2020, impacted by the introduction of promotions and offers needed to capture domestic business.

Without affecting the guest experience, cost containment measures were carefully implemented throughout 2020. The hotel successfully minimized cost exposure by flexibly managing the opening of F&B outlets and guest room floors based on occupancy.

Losses per share in 2020 were Baht 31.8 compared with Baht 24.6 in the prior year. The Directors propose that a dividend not be distributed for the full year 2020.

OPERATIONS

2020 operating results were naturally impacted by various government and travel restrictions implemented in response to the worldwide outbreak of Covid-19 and the temporary closure of the hotel throughout Q2. Covid-19 required us to adopt a new approach to operations, with a clear focus on driving local business through innovative and exciting new offerings.

The hotel continued to focus on offering unique guest experiences and introduced various staycation packages and F&B dining offers which were well received by the local market. The hotel's most popular staycation package "Experience the Legend" captured guests from various demographics and encouraged repeated stays. Le Normandie implemented in-suite dining and "Chef at Home" concepts, whilst Lord Jim's redefined its popular lunch buffet to offer an "a la carte all you can eat" concept focused on premium quality products. The Verandah established itself as a destination venue, supported by themed pop up events.

Despite the additional supply of five-star luxury hotels in Bangkok, Mandarin Oriental, Bangkok maintained its position as rate leader in a highly competitive market.

The competition pursued increased market share by aggressively discounting rates. Despite the introduction of local packages at a lower than normal price point, Mandarin Oriental, Bangkok continued to follow its customary premium pricing strategy, successfully maximizing available revenue as well as protecting margins.

CAPITAL IMPROVEMENTS

The most extensive restoration in the hotel's 144-year history concluded during the year of 2020. The THB 2 billion extensive renovation of the River Wing will allow the hotel to defend its leading position in the market for years to come by positioning the hotel as a fully renovated contemporary proposition that has maintained its classic, Thai-influenced elegance which continues to be a positive differentiator in the market. Following the Garden Wing renovation, which was completed in 2015, the Hotel now offers guests a choice of 11 restaurants and bars; suite count has increased from 44 to 60, representing a post-renovation suite ratio of 18% (compared to 12% pre-renovation).

In addition, the hotel undertook annual preventative maintenance of all Garden Wing guest rooms. During the temporary closure in Q2, preventative maintenance work was also carried out at The China House restaurant, the Authors' Lounge and the Royal Ballroom. Building maintenance work was conducted at Baan Rim Naam. The hotel also refurbished various back of house areas including the laundry facility, car park and basement.

AWARDS & PEOPLE

Mandarin Oriental, Bangkok continued to be consistently recognized by influential global media and travel partners, highlighted by the following accolades: Inclusion in **The Forbes Travel Guide Listing for 2020**; Runner-up of Best Hotel in the world - **Ultratravel and Telegraph - the Ultimate Luxury Travel Related Awards**; Best Hospitality Grand Hotel - **Connoisseur Circle Hospitality Award - Germany**; Best Bar in Thailand - **Asia's 50 Best Bars**.

The entire team is proud and honoured to share the above-mentioned awards. I take this opportunity to express my sincere appreciation to all my colleagues for their continued commitment and enduring dedication to delighting our guests, particularly during the challenging year that was 2020.

OUTLOOK & PROSPECTS

The hotel's short-term prospects are affected by the prolonged pandemic impact. Stringent preventative measures have been implemented throughout the hotel to ensure the safety of all colleagues and guests. Demand for rooms and the very unique experience that Mandarin Oriental, Bangkok offers is anticipated to rebound quickly once travel confidence resumes.

Mandarin Oriental, Bangkok's legacy, reputation for impeccable service and heritage built over 144 years has firmly established this institution as the most iconic and celebrated property within the Kingdom of Thailand. Notwithstanding the uncertain macroeconomic environment, the hotel remains firmly focused on retaining its position as market leader while consolidating its reputation as one of the truly legendary hotels of the world.



Anthony Tyler
Managing Director

INDEPENDENT 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 and the separate financial statements present fairly, in all material respects, the consolidated financial position of OHTL Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, 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 (TFRS).

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 2020;
- 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 significant accounting policies and other explanatory information.

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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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 judgement, 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><i>Accuracy of capitalisation of building, equipment and construction in progress for the River Wing Building “the Project”</i></p> <p>Refer to Note 7.7 ‘Accounting policy - Property, plant and equipment’ and Note 16 ‘Property, plant and equipment’ to the consolidated and separate financial statements.</p> <p>Since the year 2019, the Group has renovated River Wing building (“Project”). As at 31 December 2020, the cumulative capital expenditure for the Project and the outstanding balance of construction in progress were Baht 1,974 million. There were additions during 2020 of Baht 619 million and the transfers from construction in progress to building and equipment amount of Baht 1,336 million during year 2020 and the outstanding balance of construction in progress is Baht 13 million.</p> <p>The capital expenditure consisted of the cost of the construction project, other costs related to asset procurement and related borrowing costs. A 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 or freezing the borrowing cost as part of the project cost and on transferring from construction in progress to building and equipment.</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 on 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 assets transferred from construction in progress to buildings and equipment by performing some physical inspection. • Testing the calculation and record of borrowing costs as a part of the construction project and verifying that the capitalisation and qualifying assets were complied with definition of qualifying asset that specified in TFRS. • Assessing 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>

Key audit matter	How my audit addressed the key audit matter
<p><i>Valuation of Land</i></p> <p>Refer to Note 7.7 'Accounting policy - Property, plant and equipment' and Note 16 'Property, plant and equipment' to the consolidated and separate financial statements.</p> <p>In 2020, the Group changed the accounting policy in respect of land from measure at cost to fair value. As at 31 December 2020, land is valued at Baht 3,040 million. The valuation method was classified as level 3 based on Thai Financial Standards ("TFRS").</p> <p>The Group management has engaged an independent valuer to estimate the fair value of land. Land was valued using sales comparison approach to determine market approach.</p> <p>I focused on this area because the principal judgements and key assumptions over the fair valuation of land with unobservable parameters that was evaluated by the independent valuer.</p>	<p>My key procedures in relation to valuation of land included:</p> <ul style="list-style-type: none"> • Obtaining the understanding and evaluating the valuation approach and assumptions used by the external valuers to determine the fair value of land. • Assessing the independence external valuer's qualifications and expertise and being the approved valuer under the Securities and Exchange Commission of Thailand. • Challenging the Group management and evaluating the reasonableness of key assumptions used in the valuation assessment of land. • Testing the valuation in detail and seeking for additional external evidence. I assessed the methodologies used and the judgements and assumptions made in evaluating unobservable valuation parameters by using publicly available information of similar nature and location. • Testing the reasonableness of input data used in the valuation by referring to price ranges at which nearby lands were transacted and considered other factors that the independent external valuer used in the calculations such as access to main roads, distance from BTS and scarcity of land. <p>Based on my procedures performed above, I found that the valuation methodology and key assumptions used in the valuation were supportable and appropriate in light of the current environment and circumstances.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment of property, plant and equipment and right-of-use assets</i></p> <p>Refer to Note 7.7 'Accounting policy - Property, plant and equipment' and Note 16 'Property, plant and equipment' and Note 17 right-of-use assets to the consolidated and separate financial statements.</p> <p>At 31 December 2020, the Group and the Company had property plant and equipment of Baht 5,873 million and Baht 5,807 million, respectively and right-of-use assets of Baht 542 million and Baht 883 million, respectively. Property plant and equipment and right-of-use assets represented 95% of the total assets in the consolidated financial statements.</p> <p>The Group management assessed the recoverable amount based on value in use of property, plant and equipment by considering the discounted cash flow projection. From the assessment, Group management concluded that no impairment was required in current year.</p> <p>I focused on the area of impairment of property, plant and equipment and right-of-use assets, because of the significance of property, plant and equipment and right-of-use assets in the consolidated and separated financial statements. The assessment of recoverable amount of property, plant and equipment and right-of-use assets involved Group management's subjective judgement on the reasonableness of key assumptions used in the cash flow projection, such as the estimated occupancy rates and room rates, revenue growth rates and the discount rate.</p>	<p>My key procedures in relation to reviews the impairment of property, plant, and equipment and right-of-use assets included:</p> <ul style="list-style-type: none"> • Understanding and evaluating Group management's valuation approach for assessing the impairment of property, plant and equipment by using the value in use method. I considered the approach to be appropriate in accordance with the Thai Financial Reporting Standards ("TFRS"). • Evaluating the budgeting procedures upon which the cash flow projection are based, and assessed the principles of the Group management's discounted cash flow models. • Understanding key assumptions used in the discounted cash flow projection and assessing the probability of key assumptions. • Developing point of estimation for recoverable amount by changing key assumptions used in the discounted cash flow projection based on information available at the time on: <ul style="list-style-type: none"> • Estimate occupancy rates and room rates with reference historical data. • Growth rates in forecast by comparing with the historical results <p>I found the key assumptions in the recoverability assessment were supportable in the light of available and comparable internal and other market evidence.</p> <ul style="list-style-type: none"> • Engaging the auditor's valuation expert to assess the reasonableness of the discount rate applied in the discounted cash flow model, including testing the accuracy of the calculation.

Emphasis of matter

I draw attention to note 7.4, 7.9, 7.10 and 7.13 to the consolidated and separate financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2020 and 31 December 2020. My opinion is not modified in respect to this matter.

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 TFRS, 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's 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's 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 judgement 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's 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's 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
 28 January 2021

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Notes		Baht	Baht	Baht	Baht
ASSETS					
Current assets					
Cash and cash equivalents	12	108,444,129	110,799,688	107,192,032	107,228,786
Short-term investments		172,412	172,412	172,412	172,412
Trade and other receivables	13	46,355,518	92,921,875	46,152,482	106,298,580
Inventories		18,225,038	23,088,456	18,225,038	23,088,456
Other current assets		72,328,862	69,687,132	71,888,363	69,364,711
Total current assets		245,525,959	296,669,563	243,630,327	306,152,945
Non-current assets					
Investments in subsidiaries	15	-	-	100,000	100,000
Investments in associates	15	44,535,906	79,071,545	9,520,000	9,520,000
Property, plant and equipment	16	5,873,327,095	2,609,084,010	5,807,001,306	2,532,176,365
Right-of-use assets	17	541,765,618	-	883,342,559	-
Intangible assets	18	11,009,061	15,745,961	11,009,061	15,745,961
Deferred tax assets	19	-	144,669,065	-	133,120,540
Land upfront fee		-	35,816,576	-	-
Other non-current assets		25,910,781	20,204,048	22,033,529	16,133,008
Total non-current assets		6,496,548,461	2,904,591,205	6,733,006,455	2,706,795,874
Total assets		6,742,074,420	3,201,260,768	6,976,636,782	3,012,948,819

Director



Director



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

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Notes		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY					
Current liabilities					
Short-term borrowings					
from financial institutions	21	710,000,000	420,000,000	710,000,000	420,000,000
Trade and other payables	20	397,078,046	419,548,055	456,852,382	464,377,179
Income tax payable		1,715,447	-	-	-
Current portion of lease liabilities	23	71,568,144	-	77,469,483	-
Other current liabilities		4,010,682	9,209,934	4,010,682	9,130,260
Total current liabilities		<u>1,184,372,319</u>	<u>848,757,989</u>	<u>1,248,332,547</u>	<u>893,507,439</u>
Non-current liabilities					
Derivative financial liabilities	22	19,219,821	12,184,394	19,219,821	12,184,394
Lease Liabilities	23	706,844,205	-	910,108,874	-
Long-term borrowings from					
financial institution	23	2,172,254,467	1,730,000,000	2,172,254,467	1,730,000,000
Employee benefit obligations	24	156,052,382	168,784,612	156,052,382	168,784,612
Deferred tax liabilities	19	358,360,784	-	349,969,096	-
Accrued land rental		-	154,860,570	-	-
Other non-current liabilities		21,329,110	22,917,529	21,081,373	22,669,793
Total non-current liabilities		<u>3,434,060,769</u>	<u>2,088,747,105</u>	<u>3,628,686,013</u>	<u>1,933,638,799</u>
Total liabilities		<u>4,618,433,088</u>	<u>2,937,505,094</u>	<u>4,877,018,560</u>	<u>2,827,146,238</u>
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 15,097,800 shares					
at par value of Baht 10 each	25	<u>150,978,000</u>	<u>150,978,000</u>	<u>150,978,000</u>	<u>150,978,000</u>
Issued and paid-up share capital					
Ordinary shares, 15,097,800 shares					
at paid-up of Baht 10 each	25	150,978,000	150,978,000	150,978,000	150,978,000
Retained earnings (deficits)					
Appropriated					
Legal reserve	26	16,000,000	16,000,000	16,000,000	16,000,000
Unappropriated		(437,110,703)	106,525,190	(461,133,813)	28,572,097
Other components of equity		2,393,774,035	(9,747,516)	2,393,774,035	(9,747,516)
Total equity		<u>2,123,641,332</u>	<u>263,755,674</u>	<u>2,099,618,222</u>	<u>185,802,581</u>
Total liabilities and equity		6,742,074,420	3,201,260,768	6,976,636,782	3,012,948,819

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 2020

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Hotel income	27	913,661,400	1,301,172,310	912,560,589	1,298,804,068
Cost of sales and services		(975,893,269)	(1,065,622,425)	(982,002,304)	(1,054,372,334)
Gross (loss) profit		(62,231,869)	235,549,885	(69,441,715)	244,431,734
Other income	28	477,115	9,721,299	1,030,995	37,309,403
Selling expenses		(72,464,731)	(117,534,921)	(72,464,731)	(117,534,921)
Administrative expenses		(326,679,327)	(600,155,971)	(329,528,977)	(588,093,736)
Finance costs - interest expense		(76,830,171)	(24,861,771)	(84,057,977)	(24,861,771)
Share of (loss) profit of associates	15 a)	(34,535,639)	27,835,232	-	-
Loss before income tax income		(572,264,622)	(469,446,247)	(554,462,405)	(448,749,291)
Income tax income	30	92,143,547	98,528,134	109,996,214	95,258,534
Loss for the year		(480,121,075)	(370,918,113)	(444,466,191)	(353,490,757)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Gain (Loss) on remeasurements of defined employee benefit obligations	24	21,857,000	(9,431,000)	21,857,000	(9,431,000)
Gains on revaluation of land	16	3,011,437,365	-	3,011,437,365	-
Income tax on items that will not be reclassified	19	(606,658,873)	1,886,200	(606,658,873)	1,886,200
Total items that will not be reclassified to profit or loss		2,426,635,492	(7,544,800)	2,426,635,492	(7,544,800)
Items that will be reclassified subsequently to profit or loss					
Cash flow hedges	22	(8,928,714)	(12,873,228)	(8,928,714)	(12,873,228)
Cash flow hedges reclassified to profit or loss	22	1,893,288	688,834	1,893,288	688,834
Income tax on items that will be reclassified	19	1,407,085	2,436,878	1,407,085	2,436,878
Total items that will be reclassified to profit or loss		(5,628,341)	(9,747,516)	(5,628,341)	(9,747,516)

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

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Notes	Baht	Baht	Baht	Baht
Other comprehensive income (expense) for the year, net of tax	2,421,007,151	(17,292,316)	2,421,007,151	(17,292,316)
Total comprehensive income (expense) for the year	<u>1,940,886,076</u>	<u>(388,210,429)</u>	<u>1,976,540,960</u>	<u>(370,783,073)</u>
Loss attributable to:				
Owners of the parent	(480,121,075)	(370,918,113)	(444,466,191)	(353,490,757)
Non-controlling interests	-	-	-	-
	<u>(480,121,075)</u>	<u>(370,918,113)</u>	<u>(444,466,191)</u>	<u>(353,490,757)</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent	1,940,886,076	(388,210,429)	1,976,540,960	(370,783,073)
Non-controlling interests	-	-	-	-
	<u>1,940,886,076</u>	<u>(388,210,429)</u>	<u>1,976,540,960</u>	<u>(370,783,073)</u>
Loss per share				
Basic loss per share	31 <u>(31.80)</u>	<u>(24.57)</u>	<u>(29.44)</u>	<u>(23.41)</u>

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 2020

Consolidated financial statements		Other components of equity					
		Retained earnings (deficits)		Other comprehensive income		Total other components of equity	
		Issued and paid-up share capital Baht	Appropriated - legal reserve Baht	Unappropriated Baht	Gains on revaluation of land Baht	Cash flow hedges Baht	Total equity Baht
Opening balance as at 1 January 2019 Transactions with owners during the year Total comprehensive expense for the year Dividends paid Closing balance as at 31 December 2019	33	150,978,000	16,000,000	620,858,403	-	-	787,836,403
		-	-	(378,462,913)	-	(9,747,516)	(388,210,429)
		-	-	(135,870,300)	-	-	(135,870,300)
		150,978,000	16,000,000	106,525,190	-	(9,747,516)	263,755,674
Opening balance as at 1 January 2020 as previously reported Adjustments from changes in accounting policy	6	150,978,000	16,000,000	106,525,190	-	(9,747,516)	263,755,674
		-	-	(81,000,418)	-	-	(81,000,418)
		150,978,000	16,000,000	25,524,772	-	(9,747,516)	182,755,256
		150,978,000	16,000,000	(437,110,703)	2,409,149,892	(5,628,341)	1,940,886,076
Opening balance as at 1 January 2020 after restatement Transactions with owners during the year Total comprehensive (expense) income for the year Closing balance as at 31 December 2020		-	-	(462,635,475)	2,409,149,892	(5,628,341)	1,940,886,076
		150,978,000	16,000,000	(437,110,703)	2,409,149,892	(15,375,857)	2,123,641,332
		150,978,000	16,000,000	25,524,772	-	(9,747,516)	182,755,256
		150,978,000	16,000,000	(437,110,703)	2,409,149,892	(15,375,857)	2,123,641,332

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

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Separate financial statements		Other components of equity					
Notes	Issued and paid-up share capital Baht	Retained earnings (deficits)		Other comprehensive income		Total other components of equity Baht	Total equity Baht
		Appropriated - legal reserve Baht	Unappropriated Baht	Gains on revaluation of land Baht	Cash flow hedges Baht		
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							
Total comprehensive expense for the year	-	-	(361,035,557)	-	(9,747,516)	(9,747,516)	(370,783,073)
Dividends paid	-	-	(135,870,300)	-	-	-	(135,870,300)
Closing balance as at 31 December 2019	<u>150,978,000</u>	<u>16,000,000</u>	<u>28,572,097</u>	<u>-</u>	<u>(9,747,516)</u>	<u>(9,747,516)</u>	<u>185,802,581</u>
Opening balance as at 1 January 2020	150,978,000	16,000,000	28,572,097	-	(9,747,516)	(9,747,516)	185,802,581
as previously reported							
Adjustments from changes in accounting policy	-	-	(62,725,319)	-	-	-	(62,725,319)
Opening balance as at 1 January 2020 after restatement	150,978,000	16,000,000	(34,153,222)	-	(9,747,516)	(9,747,516)	123,077,262
Transactions with owners during the year							
Total comprehensive (expense) income for the year	-	-	(426,980,591)	2,409,149,892	(5,628,341)	2,403,521,551	1,976,540,960
Closing balance as at 31 December 2020	<u>150,978,000</u>	<u>16,000,000</u>	<u>(461,133,813)</u>	<u>2,409,149,892</u>	<u>(15,375,857)</u>	<u>2,393,774,035</u>	<u>2,099,618,222</u>

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 2020

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from operating activities					
Loss before income tax income		(572,264,622)	(469,446,247)	(554,462,405)	(448,749,291)
Adjustments for:					
Depreciation charge on property, plant and equipment	16	313,595,044	230,036,131	303,013,188	219,298,999
Depreciation charge on right-of-use assets	17	49,570,556	-	66,249,603	-
Reversal of depreciation charge on right-of-use assets from exemption lease payment from lessor		(4,900,538)	-	(4,900,538)	-
Loss on receiving exemption in lease payment from lessor		156,538	-	156,538	-
Amortisation charge on intangible assets	18	8,532,235	7,249,547	8,532,235	7,249,547
Amortisation charge on land upfront fee		-	1,670,534	-	-
Loss (Gain) on disposals of property, plant and equipment		17,787	(7,722,563)	17,787	(7,539,301)
Loss on write-off of property, plant and equipment		1	79,969,266	1	79,969,266
Loss on write-off of intangible assets	18	-	6,903	-	6,903
Expected loss for trade accounts receivable		-	2,427,335	-	2,427,335
Expected loss for amount due from a related party		-	-	727,680	808,343
Share of loss (profit) of associates	15 a)	34,535,639	(27,835,232)	-	-
Dividend income	28	-	-	-	(27,040,000)
Employee benefit expense	24	27,618,232	54,325,251	27,618,232	37,977,251
Interest income	28	(169,313)	(299,745)	(723,193)	(847,849)
Finance costs - interest expense		76,830,171	24,861,771	84,057,977	24,861,771
Changes in operating assets and liabilities					
- trade and other receivables		34,937,315	30,852,179	48,343,610	30,669,932
- inventories		4,863,418	(4,620,042)	4,863,418	(4,620,042)
- other current assets		(970,582)	(60,864,426)	(852,504)	(62,135,509)
- other non-current assets		(11,420,508)	(1,130,586)	(11,614,296)	(3,599,499)
- trade and other payables		(73,844,279)	31,493,505	(58,899,066)	68,052,868
- employee benefits paid	24	(18,493,462)	(27,764,822)	(18,493,462)	(27,764,822)
- accrued land rental		-	7,662,494	-	-
- other current liabilities		(5,199,252)	(11,247,008)	(5,119,578)	(11,299,867)
- other non-current liabilities		(1,588,419)	(1,330,869)	(1,588,420)	(1,330,870)
Cash used in operations		(138,194,039)	(141,706,624)	(113,073,193)	(123,604,835)
Interest received		169,313	299,745	168,959	298,437
Interest paid		(66,098,201)	(32,095,289)	(73,326,007)	(32,095,289)
Income tax paid		(3,021,566)	(32,142,643)	(1,671,148)	(32,130,933)
Net cash used in operating activities		(207,144,493)	(205,644,811)	(187,901,389)	(187,532,620)

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

OHTL PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash flows from investing activities					
Purchases of property, plant and equipment		(629,919,514)	(1,405,264,374)	(629,919,514)	(1,405,264,374)
Capitalisation of borrowing cost to property, plant and equipment		(22,614,893)	(17,253,477)	(22,614,893)	(17,253,477)
Purchases of intangible assets	18	(3,795,335)	(6,429,354)	(3,795,335)	(6,429,354)
Proceeds from disposals of property, plant and equipment		599,598	9,817,121	599,598	9,817,121
Dividends received from associate	15 a), 28	-	27,040,000	-	27,040,000
Cash received from construction contract		126,694,273	-	126,694,273	-
Net cash used in investing activities		<u>(529,035,871)</u>	<u>(1,392,090,084)</u>	<u>(529,035,871)</u>	<u>(1,392,090,084)</u>
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institutions	21	925,000,000	820,000,000	925,000,000	820,000,000
Proceeds from long-term borrowings from financial institution	23	730,000,000	1,730,000,000	730,000,000	1,730,000,000
Repayments on short-term borrowings from financial institutions	21	(635,000,000)	(470,000,000)	(635,000,000)	(470,000,000)
Repayments on long-term borrowings from financial institution	23	(285,000,000)	(350,000,000)	(285,000,000)	(350,000,000)
Dividends paid to shareholders	33	-	(135,870,300)	-	(135,870,300)
Lease principal payments		(1,175,195)	-	(18,099,494)	-
Net cash generated from financing activities		<u>733,824,805</u>	<u>1,594,129,700</u>	<u>716,900,506</u>	<u>1,594,129,700</u>
Net (decrease) increase in cash and cash equivalents		(2,355,559)	(3,605,195)	(36,754)	14,506,996
Cash and cash equivalents at the beginning of the year		<u>110,799,688</u>	<u>114,404,883</u>	<u>107,228,786</u>	<u>92,721,790</u>
Cash and cash equivalents at the end of the year	12	<u>108,444,129</u>	<u>110,799,688</u>	<u>107,192,032</u>	<u>107,228,786</u>

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2020 and 2019 are as follows:

Other payables arising from purchases of property, plant and equipment	143,383,880	102,205,864	143,383,880	102,205,864
Freehold land revaluation	3,011,437,365	-	3,011,437,365	-

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 28 January 2021.

2. SIGNIFICANT EVENTS DURING THE CURRENT YEAR

Coronavirus Disease 2019 outbreak

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, it has resulted in the adverse effects on the operating results for the year ended 31 December 2020 especially on the hotel businesses and the rental businesses.

Hotel business: booking cancellation resulted in sales dropped

A series of precautionary measures continues to be implemented across regions including certain level of restrictions and controls over the travelling of people and traffic arrangements has led to many booking cancellations during January to March 2020 which was high season for hotel business. The impact of COVID-19 pandemic caused the decreasing number of guests especially targeting leisure and business segments from Europe and the United States. The closure of the hotel restaurants in accordance with the official announcement from the Thai Government from March to May 2020 regarding the temporarily closer of premises such as department stores, restaurants, spa and fitness centre. Consequently, the closure of facilities in the hotel affected the hotel revenues overall.

Rental business: rental waiver

The Group granted rental waiver and reduction to all of its tenants for the period from 22 March 2020 to 15 January 2021 which result in a reduction in the Group’s rental income in 2020 and thus affecting the rental income in the coming periods. The Group closely monitor the development of the COVID-19 situation and its impact on the leasing business by performing relevant assessment which the management has established various plans to cope with the ongoing situation as well as endeavor to mitigate the business impact effectively.

3. BASIC 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 except land and derivative instrument.

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 10.

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.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020. Please see noted disclosure in note 7.4, 7.9, 7.10 and 7.13.

4. GOING CONCERN AND LIQUIDITY RISK

As of 31 December 2020, the Group and the Company have total current liabilities exceeding total current assets by Baht 939 million and Baht 1,005 million and loss for the period of Baht 480 million and Baht 444 million, respectively as a result of the impact of COVID-19 outbreak as described in Note 2, in the consolidated and separate financial statements. In addition, the Group has negative cash flow from operating activity of Baht 177 million. To ensure a proper basis of going concern, management has prepared cash flow projection and was confident that the estimation can be achieved as the hotel plans to launch various marketing activities and promotions aiming to increase occupancy rate. The management will ensure that cost containment from all areas will be closely monitored. In addition, the Group has banking committed credit facilities of Baht 825 million and uncommitted credit facilities of Baht 290 million for utilising in business operation in case the assumptions were not achieved as expected. Accordingly, the Group could continue its operations as a going concern basis.

5. NEW AND AMENDED FINANCIAL REPORTING STANDARDS

5.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

a) Financial instruments

The new financial standards related to financial instruments are as follows:

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

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 6.

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.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 6.

Amended financial reporting standards do not have significant impacts to the Group are as follows:

c) 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.

d) 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.

e) 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.

f) 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. The Group 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.

- g) **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.

5.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

- a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

- b) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

- c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

6. IMPACTS FROM INITIAL APPLICATION OF THE NEW AND REVISED FINANCIAL REPORTING STANDARDS

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 7.6 and 7.10.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The impact of the first-time adoption of the new financial reporting standards on the consolidated and separate statements of financial position are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

	Notes	31 December 2019 Baht	TFRS 9 and TAS 32 Baht	TFRS 16 Baht	1 January 2020 Baht
Assets					
Current assets					
Trade and other receivable	A, B	92,921,875	(535,716)	(11,093,326)	81,292,833
Non-current assets					
Right-of-use assets	B	-	-	591,336,174	591,336,174
Deferred tax assets	C	144,669,065	-	7,012,526	151,681,591
Land upfront fee	B	35,816,576	-	(35,816,576)	-
Other non-current assets	A, B	20,204,048	(2,745,533)	(2,968,242)	14,490,273
Total assets affected		<u>293,611,564</u>	<u>(3,281,249)</u>	<u>548,470,556</u>	<u>838,800,871</u>
Liabilities and equity					
Current liabilities					
Current portion of lease liabilities	B	-	-	37,714,469	37,714,469
Non-current liabilities					
Lease liabilities	B	-	-	746,617,075	746,617,075
Long-term borrowings from financial institution	A	1,730,000,000	(3,281,249)	-	1,726,718,751
Accrued land rental	B	154,860,570	-	(154,860,570)	-
Total liabilities affected		<u>1,884,860,570</u>	<u>(3,281,249)</u>	<u>629,470,974</u>	<u>2,511,050,295</u>
Equity					
Retained earnings	B, C	106,525,190	-	(81,000,418)	25,524,772
Total equity affected		<u>106,525,190</u>	<u>-</u>	<u>(81,000,418)</u>	<u>25,524,772</u>

		SEPARATE FINANCIAL STATEMENTS			
	Notes	31 December 2019 Baht	TFRS 9 and TAS 32 Baht	TFRS 16 Baht	1 January 2020 Baht
Assets					
Current assets					
Trade and other receivable	A, B	106,298,580	(535,716)	(11,093,326)	94,669,538
Non-current assets					
Right-of-use assets	B	-	-	949,592,162	949,592,162
Deferred tax assets	C	133,120,540	-	12,165,938	145,286,478
Other non-current assets	A, B	16,133,008	(2,745,533)	(2,968,242)	10,419,233
Total asset affected		<u>255,552,128</u>	<u>(3,281,249)</u>	<u>947,696,532</u>	<u>1,199,967,411</u>
Liabilities and equity					
Current liabilities					
Current portion of lease liabilities	B	-	-	48,843,494	48,843,494
Non-current liabilities					
Lease liabilities	B	-	-	961,578,357	961,578,357
Long-term borrowings from financial institution	A	<u>1,730,000,000</u>	<u>(3,281,249)</u>	-	<u>1,726,718,751</u>
Total liabilities affected		<u>1,730,000,000</u>	<u>(3,281,249)</u>	<u>1,010,421,851</u>	<u>2,737,140,602</u>
Equity					
Retained earnings (Deficits)	B, C	<u>28,572,097</u>	-	<u>(62,725,319)</u>	<u>(34,153,222)</u>
Total equity affected		<u>28,572,097</u>	-	<u>(62,725,319)</u>	<u>(34,153,222)</u>

The adjustments and classification above are summarized below.

- A) Adjusted front-end fee by offsetting with long-term borrowings from financial institution; and
- B) Recognised right-of-use assets and lease liabilities together with corresponding adjustments of prepaid rent and accrued rent against right-of-use assets; and
- C) Adjusted deferred tax assets/liabilities resulted from the above adjustments.

6.1 Financial instruments

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities and has classified its financial instruments into the appropriate TFRS 9 categories below. The classification is no significant change from the original measurement categories determined under TAS 105.

CONSOLIDATED FINANCIAL STATEMENTS

	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial assets				
Cash and cash equivalents	-	-	110,799,688	110,799,688
Short-term investments	-	-	172,412	172,412
Trade and other receivables	-	-	66,695,000	66,695,000
Other non-current assets	-	-	14,490,273	14,490,273
	-	-	192,157,373	192,157,373

CONSOLIDATED FINANCIAL STATEMENTS

	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial liabilities				
Short-term borrowing from financial institutions	-	-	420,000,000	420,000,000
Trade and other payables	-	-	238,286,795	238,286,795
Lease liabilities	-	-	784,331,544	784,331,544
Derivative financial liabilities	12,184,394	-	-	12,184,394
Long-term borrowing from financial institutions	-	-	1,730,000,000	1,730,000,000
Other non-current liabilities	-	-	22,669,793	22,669,793
	12,184,394	-	3,195,288,132	3,207,472,526

SEPARATE FINANCIAL STATEMENTS

	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial assets				
Cash and cash equivalents	-	-	107,228,786	107,228,786
Short-term investments	-	-	172,412	172,412
Trade and other receivables	-	-	66,695,000	66,695,000
Other non-current assets	-	-	10,419,233	10,419,233
	-	-	184,515,431	184,515,431

SEPARATE FINANCIAL STATEMENTS

	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial liabilities				
Short-term borrowing from financial institutions	-	-	420,000,000	420,000,000
Trade and other payables	-	-	289,627,767	289,627,767
Lease liabilities	-	-	1,010,421,851	1,010,421,851
Derivative financial liabilities	12,184,394	-	-	12,184,394
Long-term borrowing from financial institutions	-	-	1,730,000,000	1,730,000,000
Other non-current liabilities	-	-	22,669,793	22,669,793
	12,184,394	-	3,472,719,411	3,484,903,805

6.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2020. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 3.3%.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied in which the incremental borrowing rate as of 1 January 2020 is applied for the whole lease term, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	CONSOLIDATED FINANCIAL STATEMENTS Baht	SEPARATE FINANCIAL STATEMENTS Baht
Operating lease commitments disclosed as at 31 December 2019	1,016,739,904	1,320,589,700
<u>Less</u> Discounted using the lessee’s incremental borrowing rate of at the date of initial application	(255,076,216)	(332,835,705)
<u>Less</u> Low-value leases recognised on a straight-line basis as expense	(86,678)	(86,678)
<u>Add</u> Adjustments as a result of a different treatment of extension and termination options	22,754,534	22,754,534
Lease liability recognised as at 1 January 2020	784,331,544	1,010,421,851
Current portion of lease liabilities	37,714,469	48,843,494
Non-current lease liabilities	746,617,075	961,578,357

Practical expedients applied

In applying TFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an Arrangement contains a Lease.

7. ACCOUNTING POLICIES

7.1 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 cost 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.

7.2 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.

7.3 Cash and cash equivalents

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

7.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. As of 31 December 2020, the expected credit loss of Baht 2.43 million for trade receivables were assessed based on historical credit loss together with the management's judgement in estimating the expected credit loss.

7.5 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.

7.6 Financial assets

For the year ended 31 December 2020

a) Classification

From 1 January 2020, the Group classifies its debt instrument financial assets (fixed deposit) in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

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

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

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

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There is one measurement category into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains or losses together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.

e) Impairment

From 1 January 2020, the Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 7.4 for details.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. The Group applied historical credit loss in estimating the expected credit loss.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

For the year ended 31 December 2019

Investments in debt and equity securities

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

7.7 Property, plant and equipment

Land is recognised at fair value based on periodic, but at least every 3 years, valuations by external independent valuers.

Increases in the carrying amounts arising on revaluation of land are recognised in other comprehensive income and accumulated in 'Other component of equity' in shareholders' equity. To the extent that the decrease reverses an increase previously recognised in equity, the decrease is first recognised in other comprehensive income and accumulated in equity. The excess will then be recognised in profit or loss.

All other 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.

7.8 Intangible assets

Acquired computer software

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 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.

7.9 Impairment of assets

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.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 as an indication of the impairment of assets.

7.10 Leases

For the year ended 31 December 2020

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise small items of office furniture.

During the reporting period, the Group received both exemption and discounts in the lease payments from lessors due to the COVID-19 outbreak. The Group elected not to account for all exemptions and discounts in the lease payments under the lease modification in accordance with TFRS 16. Instead, the Group has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by reducing lease liabilities on the exempted portion and in the proportion of the reduction to the lease payments throughout the period that the Group has received the exemption and reduction. The Group also reversed depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion of Baht 4.90 million and Baht 0.66 million, respectively. The differences of Baht 0.16 million are recognised in other losses instead of remeasuring lease liabilities and adjusting the corresponding right-of-use assets from the lease modification.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 December 2019

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

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

7.11 Financial liabilities

For the year ended 31 December 2020

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

For the year ended 31 December 2019

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.

7.12 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.

7.13 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.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the purpose of assessing the utilisation of deductible temporary differences. Instead, the Group writes down the carrying amount of the deferred tax assets when it's not probable that the future taxable profit will be available for utilising the deductible temporary differences.

7.14 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.

7.15 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.

7.16 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.

7.17 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.

7.18 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.

7.19 Cash flow hedges that qualify for hedge accounting

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.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 22. Movements in the hedging reserve in shareholders' equity are shown in note 22.

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.

8. FINANCIAL RISK MANAGEMENT

8.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate 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 Group uses derivative financial instruments to hedge certain exposures.

8.1.1 Market risk

a) 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. However, the Group believes that foreign exchange risk will have no material effect since the receivables amount and payables amount which were in foreign currency, were slim compared with their operational results and they therefore do not use derivative financial instruments to hedge this risk.

b) Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are closed to the market rate. The Group assesses that the interest rate risk is significant as the interests from financial assets and financial liabilities are significantly different. However, the Group will use interest rate swap to management the risk when necessary.

The exposure of the Group's borrowings to interest rate changes of the borrowings at the end of the reporting period are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	2020		2019	
	Baht	% of total loans	Baht	% of total loans
Variable rate borrowings	2,885,000,000	100%	2,150,000,000	100%
	2,885,000,000	100%	2,150,000,000	100%

Sensitivity

Profit or loss is sensitive to higher or lower interest income from interest expenses from borrowings as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings.

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Impact to net profit	Impact to other components of equity
As at 31 December 2020		
Interest rate - increase 0.25%	4,956,709	(3,473,190)
Interest rate - decrease 0.25%	(4,883,358)	3,473,190

Instruments used by the Group - Interest rate swap

Under the interest rate swaps, the Group agrees with the other parties to exchange, at specified interval, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Any differential to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement.

The Group and the Company entered into interest rate swaps covering approximately 14% (2019: 19%) of the variable loan principal outstanding. The fixed interest rates of the swaps are 2.03% (2019: 2.03%), and the variable rates of the loans are between 0.60% and 1.40% under THB which was 0.60% (2019: 1.40%) at the end of the reporting period.

The swap contracts require settlement of net interest receivable or payable every 180 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

The effects of hedge accounting on the financial position and performance are disclosed in Note 22.

The effects of the interest rate-related hedging instruments on the Group and the Company's financial position and performance are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht
Interest rate swaps		
Carrying amount (liability)	(19,219,821)	(12,184,394)
Notional amount	400,000,000	400,000,000
Maturity date	21 March 2024	21 March 2024
Hedge ratio	1:1	1:1
Change in fair value of outstanding hedge instruments since 1 January	(8,928,714)	(12,873,228)
Change in value of hedged item used to determine hedge effectiveness	8,928,714	12,873,228
Weighted average strike rate for outstanding hedging instruments	2.03%	2.03%

8.1.2 Credit risk

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers or specific industry sectors.

b) Impairment of financial assets

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- short-term investment
- trade and other receivables

The Group was required to revise its impairment methodology under TFRS 9. However, there was no impact on the change in impairment methodology on the Group's and the Company's retained earnings as at 1 January 2020.

While i) cash and cash equivalents and ii) short-term investment which is the fixed deposit held at bank are subject to the new impairment requirement, the identified impact was immaterial.

Previous accounting policy for impairment of trade receivables for comparative period

In the year 2019, the Group recognised impairment of trade receivables based on the incurred loss model such as uncollectible or past due for a period less than 150 days, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

8.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period, the Group held deposits at call of Baht 108 million (2019: Baht 111 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary, monitoring liquidity ratios and maintaining financing plans.

a) Financing arrangements

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Floating rate				
Expiring within one year				
- Bank loans	510,000,000	1,285,000,000	510,000,000	1,285,000,000
Expiring beyond one year				
- Bank loans	605,000,000	65,000,000	605,000,000	65,000,000
	<u>1,115,000,000</u>	<u>1,350,000,000</u>	<u>1,115,000,000</u>	<u>1,350,000,000</u>

b) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using strike interest rates applicable at the end of the reporting period.

CONSOLIDATED FINANCIAL STATEMENTS					
Maturity of financial liabilities	On demand Baht	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2020					
Short-term loans					
from financial institutions	-	712,488,340	-	-	712,488,340
Trade and other payables	-	209,648,998	-	-	209,648,998
Lease liabilities	-	96,698,295	218,416,780	669,810,615	984,925,690
Long-term loans					
from financial institutions	-	57,843,699	2,286,208,536	-	2,344,052,235
Other financial liabilities	-	-	-	21,081,371	21,081,371
Total financial liabilities that is not derivatives	-	1,076,679,332	2,504,625,316	690,891,986	4,272,169,634
Derivative financial instruments					
Interest rate swap - cash flow hedge					
- Cash inflows	-	1,736,329	3,405,589	-	5,141,918
- Cash outflows	-	(8,120,000)	(18,086,466)	-	(26,206,466)
Total derivatives	-	(6,383,671)	(14,680,827)	-	(21,064,548)
Total	-	1,070,295,661	2,489,944,489	690,891,986	4,251,132,086

CONSOLIDATED FINANCIAL STATEMENTS

Maturity of financial liabilities	On demand Baht	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2019					
Short-term loans					
from financial institutions	-	420,000,000	-	-	420,000,000
Trade and other payables	-	238,286,795	-	-	238,286,795
Long-term loans					
from financial institutions	-	49,766,474	1,389,275,125	435,000,000	1,874,071,599
Other financial liabilities	-	-	-	22,669,793	22,669,793
Total financial liabilities					
that is not derivatives	-	708,050,269	1,389,275,125	457,669,793	2,554,995,187
Derivative financial instruments					
Interest rate swap - cash flow hedge					
- Cash inflows	-	2,838,051	5,141,918	-	7,979,969
- Cash outflows	-	(8,142,247)	(26,206,466)	-	(34,348,713)
Total derivatives	-	(5,304,196)	(21,064,548)	-	(26,368,744)
Total	-	702,746,073	1,368,210,577	457,669,793	2,528,626,443

SEPARATE FINANCIAL STATEMENTS					
Maturity of financial liabilities	On demand Baht	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2020					
Short-term loans					
from financial institutions	-	712,488,340	-	-	712,488,340
Trade and other payables	-	272,642,485	-	-	272,642,485
Lease liabilities	-	109,356,520	287,930,942	867,335,918	1,264,623,380
Long-term loans					
from financial institutions	-	57,843,699	2,286,208,536	-	2,344,052,235
Other financial liabilities	-	-	-	21,081,371	21,081,371
Total financial liabilities that is not derivatives	-	1,152,331,044	2,574,139,478	888,417,289	4,614,827,811
Derivative financial instruments					
Interest rate swap - cash flow hedge					
- Cash inflows	-	1,736,329	3,405,589	-	5,141,918
- Cash outflows	-	(8,120,000)	(18,086,466)	-	(26,206,466)
Total derivatives	-	(6,383,671)	(14,680,827)	-	(21,064,548)
Total	-	1,145,947,373	2,559,458,651	888,417,289	4,593,763,263

SEPARATE FINANCIAL STATEMENTS

Maturity of financial liabilities	On demand Baht	Within 1 year Baht	2 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2019					
Short-term loans					
from financial institutions	-	420,000,000	-	-	420,000,000
Trade and other payables	-	289,627,767	-	-	289,627,767
Long-term loans					
from financial institutions	-	49,766,474	1,389,275,125	435,000,000	1,874,071,599
Other financial liabilities	-	-	-	22,669,793	22,669,793
Total financial liabilities					
that is not derivatives	-	759,394,241	1,389,275,125	457,669,793	2,606,339,159
Derivative financial instruments					
Interest rate swap - cash flow hedge					
- Cash inflows	-	2,838,051	5,141,918	-	7,979,969
- Cash outflows	-	(8,142,247)	(26,206,466)	-	(34,348,713)
Total derivatives	-	(5,304,196)	(21,064,548)	-	(26,368,744)
Total	-	754,090,045	1,368,210,577	457,669,793	2,579,970,415

8.2 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.

9. FAIR VALUE

The following table shows fair values and carrying amounts of financial assets and liabilities by category.

CONSOLIDATED FINANCIAL STATEMENTS				
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
As at 31 December 2020				
Financial assets not measured at fair value				
Cash and cash equivalents	-	108,444,129	108,444,129	108,444,129
Short-term investment	-	172,412	172,412	172,412
Trade and other receivables	-	25,323,319	25,323,319	25,323,319
Other non-current assets	-	18,035,351	18,035,351	17,824,486
	-	151,975,211	151,975,211	151,764,346
Financial liabilities measured at fair value				
Derivative financial liabilities	19,219,821	-	19,219,821	19,219,821
	19,219,821	-	19,219,821	19,219,821
Financial liabilities not measured at fair value				
Short-term borrowings from financial institutions	-	710,000,000	710,000,000	710,000,000
Trade and other payables	-	209,648,998	209,648,998	209,648,998
Long-term borrowings from financial institutions	-	2,172,254,467	2,172,254,467	2,172,254,467
Other non-current liabilities	-	21,329,110	21,329,110	20,995,495
	-	3,113,232,575	3,113,232,575	3,112,898,960
As at 1 January 2020				
Financial asses not measured at fair value				
Cash and cash equivalents	-	110,799,688	110,799,688	110,799,688
Short-term investment	-	172,412	172,412	172,412
Trade and other receivables	-	66,695,000	66,695,000	66,695,000
Other non-current assets	-	14,490,273	14,490,273	14,279,408
	-	192,157,373	192,157,373	191,946,508
Financial liabilities measured at fair value				
Derivative financial liabilities	12,184,394	-	12,184,394	12,184,394
	12,184,394	-	12,184,394	12,184,394
Financial liabilities not measured at fair value				
Short-term borrowings from financial institutions	-	420,000,000	420,000,000	420,000,000
Trade and other payables	-	238,826,795	238,826,795	238,826,795
Long-term borrowings from financial institutions	-	1,726,718,751	1,726,718,751	1,726,718,751
Other non-current liabilities	-	22,669,793	22,669,793	22,336,178
	-	2,408,215,339	2,408,215,339	2,407,881,724

SEPARATE FINANCIAL STATEMENTS

	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
As at 31 December 2020				
Financial assets not measured at fair value				
Cash and cash equivalents	-	107,192,032	107,192,032	107,192,032
Short-term investment	-	172,412	172,412	172,412
Trade and other receivables	-	25,538,319	25,538,319	25,538,319
Other non-current assets	-	14,158,100	14,158,100	13,947,235
	-	<u>147,060,863</u>	<u>147,060,863</u>	<u>146,849,998</u>
Financial liabilities measured at fair value				
Derivative financial liabilities	19,219,821	-	19,219,821	19,219,821
	<u>19,219,821</u>	-	<u>19,219,821</u>	<u>19,219,821</u>
Financial liabilities not measured at fair value				
Short-term borrowings from financial institutions	-	710,000,000	710,000,000	710,000,000
Trade and other payables	-	272,642,485	272,642,485	272,642,485
Long-term borrowings from financial institutions	-	2,172,254,467	2,172,254,467	2,172,254,467
Other non-current liabilities	-	21,081,373	21,081,373	20,747,758
	-	<u>3,175,978,325</u>	<u>3,175,978,325</u>	<u>3,175,644,710</u>
As at 1 January 2020				
Financial assets not measured at fair value				
Cash and cash equivalents	-	107,228,786	107,228,786	107,228,786
Short-term investment	-	172,412	172,412	172,412
Trade and other receivables	-	66,695,000	66,695,000	66,695,000
Other non-current assets	-	10,490,233	10,490,233	10,279,368
	-	<u>184,586,431</u>	<u>184,586,431</u>	<u>184,375,566</u>
Financial liabilities measured at fair value				
Derivative financial liabilities	12,184,394	-	12,184,394	12,184,394
	<u>12,184,394</u>	-	<u>12,184,394</u>	<u>12,184,394</u>
Financial liabilities not measured at fair value				
Short-term borrowings from financial institutions	-	420,000,000	420,000,000	420,000,000
Trade and other payables	-	289,627,767	289,627,767	289,627,767
Long-term borrowings from financial institutions	-	1,726,718,751	1,726,718,751	1,726,718,751
Other non-current liabilities	-	22,669,793	22,669,793	22,336,178
	-	<u>2,459,016,311</u>	<u>2,459,016,311</u>	<u>2,458,682,696</u>

The following table presents non-financial assets that are measured at fair value:

CONSOLIDATED AND SEPERATE FINANCIAL STATEMENTS							
	Level 1		Level 2		Level 3		Total
	2020	2019	2020	2019	2020	2019	2020 2019
Assets							
Property, plant and equipment - Land	-	-	-	-	3,040,000,000	-	3,040,000,000 -
Total non-financial assets measured at fair value	-	-	-	-	3,040,000,000	-	3,040,000,000 -

As at 31 December 2020, the Group had no others assets or liabilities measured at fair value except land and derivative financial liabilities, please see note 16 and note 22, respectively. Disclosures of fair value measurements by level are:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Since the majority of the financial assets and financial liabilities are short-term and long-term borrowing carry interest rate at floating 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 swap 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.

10. CRITICAL ACCOUNTING 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.

a) 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 recognizing or freezing the borrowing cost as part of the project cost and on transferring from construction in progress to building and equipment.

b) Impairment of assets

The Group tests whether assets, which comprise property, plant, and equipment and right-of-use assets have suffered any impairment, in accordance with the accounting policy stated in Note 7.9. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less cost to sell as appropriate. These calculations require the use of estimates. Disclosures about estimated impairment of property, plant, and equipment and right-of-use assets are provided in Note 16 and 17 respectively.

c) Fair value of land

The fair value of land depends on a number of assumptions revaluated by the external valuation expert. There are 2 types of assumptions which are financial assumption and characteristic assumption.

For financial assumption, the valuer uses selling land price adjusted with external environments of 5 subjected land with the nearest condition to the Company's land

For characteristic assumption, the valuer uses 3 assumptions mainly the Location which shows the most differentiate of 5 subjected land used for revaluating the Company's land.

d) 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 24.

e) Deferred tax asset for carried forward tax losses

The Company has incurred the losses this year because of renovation of building and COVID-19 impact. The Company cannot fully operate their business but since the Group adopt temporary exemption of COVID-19 announced by TFAC for the period ended between 1 January 2020 and 31 December 2020 by excluding information related to COVID-19 which causes uncertainty when considering the sufficiency of future taxable profit for the propose of assessing the utilisation of deductible temporary differences. 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.

f) Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

g) Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

11. 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 2020 and 2019 were as follows:

(Unit: Thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS															
		Undistributed operating													
Hotel operation		Food and beverage		Other segments		income (expenses)				Total		Elimination		Consolidation	
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	220,074	385,447	483,614	639,516	210,148	276,458	-	-	-	913,836	1,301,421	(175)	(249)	913,661	1,301,172
Interest income	-	-	-	-	-	-	724	849	849	724	849	(554)	(549)	170	300
Other income	-	-	-	-	-	-	307	9,421	9,421	307	9,421	-	-	307	9,421
Total revenues	220,074	385,447	483,614	639,516	210,148	276,458	1,031	10,270	914,867	1,311,691	(729)	(798)	914,138	1,310,893	
Cost of sales and services	(308,232)	(295,473)	(504,541)	(610,547)	(118,625)	(159,851)	(44,670)	-	(976,068)	(1,065,871)	175	249	(975,893)	(1,065,622)	
Selling expenses	-	-	-	-	-	-	(72,465)	(117,535)	(72,465)	(117,535)	-	-	(72,465)	(117,535)	
Administrative expenses	-	-	-	-	-	-	(326,679)	(600,155)	(326,679)	(600,155)	-	-	(326,679)	(600,155)	
Total expenses	(308,232)	(295,473)	(504,541)	(610,547)	(118,625)	(159,851)	(443,814)	(717,690)	(1,375,212)	(1,783,561)	175	249	(1,375,037)	(1,783,312)	
Share of (loss) profit of associates	-	-	-	-	-	-	(34,536)	27,835	(34,536)	27,835	-	-	(34,536)	27,835	
(Loss) Profit before finance costs and income tax income	(88,158)	89,974	(20,927)	28,969	91,523	116,607	(477,319)	(679,585)	(494,881)	(444,035)	(554)	(549)	(495,435)	(444,584)	
Finance costs - interest expense	-	-	-	-	-	-	(99,935)	(25,411)	(99,935)	(25,411)	23,105	549	(76,830)	(24,862)	
Income tax income	-	-	-	-	-	-	92,144	98,528	92,144	98,528	-	-	92,144	98,528	
(Loss) Profit for the year	(88,158)	89,974	(20,927)	28,969	91,523	116,607	(485,110)	(606,468)	(502,672)	(370,918)	22,551	-	(480,121)	(370,918)	

12. CASH AND CASH EQUIVALENTS

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	2,283,852	2,826,745	2,283,852	2,826,745
Cash at banks				
- current accounts	563,056	12,271,755	-	9,390,094
- savings accounts	105,597,221	95,701,188	104,908,180	95,011,947
Total cash and cash equivalents	108,444,129	110,799,688	107,192,032	107,228,786

As at 31 December 2020, the interest rates of savings accounts were 0.05% to 0.13% per annum (2019: 0.05% to 0.38% per annum).

13. TRADE AND OTHER RECEIVABLES

13.1 Trade and other receivables

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Third parties				
Trade accounts receivable, gross	19,061,939	49,759,213	19,061,939	49,759,213
Accrued Income	5,891,982	-	5,891,982	-
Less Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	(2,427,335)	(2,427,335)	(2,427,335)	(2,427,335)
Trade accounts receivable, net	22,526,586	47,331,878	22,526,586	47,331,878
Amount due from related parties				
Amounts due from related parties (Note 32 c)	405,844	2,918,443	56,674,050	71,728,841
Less Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	-	-	(55,967,597)	(55,239,917)
Amount due from related parties, net	405,844	2,918,443	706,453	16,488,924
Other receivables				
Prepaid rental expenses	339,864	11,454,439	339,864	11,454,439
Prepaid insurance expenses	12,413,841	12,044,729	12,413,841	12,044,729
Other prepaid expenses	7,715,613	8,124,392	7,211,974	7,930,621
Advance payments	-	1,773,222	-	1,773,222
Others	2,953,770	9,274,772	2,953,764	9,274,767
Other receivables	23,423,088	42,671,554	22,919,443	42,477,778
Total trade and other receivables	46,355,518	92,921,875	46,152,482	106,298,580

13.2 Impairment of trade receivables

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk is disclosed in note 7.4 and note 8.

The loss allowance for trade receivables was determined as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
	Under 30 days Baht	31 - 60 days Baht	61 - 90 days Baht	91 - 120 days Baht	Over 120 days Baht	Total Baht
As of 1 January 2020						
Gross carrying amount						
- trade receivables	44,751,444	2,457,709	122,725	-	2,427,335	49,759,213
- accrued income	-	-	-	-	-	-
Loss allowance	-	-	-	-	(2,427,335)	(2,427,335)
	<u>44,751,444</u>	<u>2,457,709</u>	<u>122,725</u>	<u>-</u>	<u>-</u>	<u>47,331,878</u>
As of 31 December 2020						
Gross carrying amount						
- trade receivables	15,098,241	950,633	202,485	91,791	2,718,789	19,061,939
- accrued income	5,891,982	-	-	-	-	5,891,982
Loss allowance	-	-	-	-	(2,427,335)	(2,427,335)
	<u>20,990,223</u>	<u>950,633</u>	<u>202,485</u>	<u>91,791</u>	<u>291,454</u>	<u>22,526,586</u>
SEPARATE FINANCIAL STATEMENTS						
	Under 30 days Baht	31 - 60 days Baht	61 - 90 days Baht	91 - 120 days Baht	Over 120 days Baht	Total Baht
As of 1 January 2020						
Gross carrying amount						
- trade receivables	44,751,444	2,457,709	122,725	-	2,427,335	49,759,213
- accrued income	-	-	-	-	-	-
Loss allowance	-	-	-	-	(2,427,335)	(2,427,335)
	<u>44,751,444</u>	<u>2,457,709</u>	<u>122,725</u>	<u>-</u>	<u>-</u>	<u>47,331,878</u>
As of 31 December 2020						
Gross carrying amount						
- trade receivables	15,098,241	950,633	202,485	91,791	2,718,789	19,061,939
- accrued income	5,891,982	-	-	-	-	5,891,982
Loss allowance	-	-	-	-	(2,427,335)	(2,427,335)
	<u>20,990,223</u>	<u>950,633</u>	<u>202,485</u>	<u>91,791</u>	<u>291,454</u>	<u>22,526,586</u>

As of 1 January 2020 and during the year, there is no additional loss allowance of the Group and the Company for trade receivables.

13.3 Impairments of amounts due from related parties

Information about the impairment of amounts due from related parties and the Group's exposure to credit risk, foreign currency risk and interest rate risk is disclosed in note 7.4 and 8.

The loss allowance for amounts due from related parties was determined as follows:

CONSOLIDATED FINANCIAL STATEMENTS						
	Under 30 days Baht	31 - 60 days Baht	61 - 90 days Baht	91 - 120 days Baht	Over 120 days Baht	Total Baht
As of 1 January 2020						
Gross carrying amount						
- amounts due from related parties	2,844,942	73,501	-	-	-	2,918,443
Loss allowance	-	-	-	-	-	-
	<u>2,844,942</u>	<u>73,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,918,443</u>

As of 31 December 2020

Gross carrying amount						
- amounts due from related parties	240,491	165,353	-	-	-	405,844
Loss allowance	-	-	-	-	-	-
	<u>240,491</u>	<u>165,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>405,844</u>

SEPARATE FINANCIAL STATEMENTS						
	Under 30 days Baht	31 - 60 days Baht	61 - 90 days Baht	91 - 120 days Baht	Over 120 days Baht	Total Baht
As of 1 January 2020						
Gross carrying amount						
- amounts due from related parties	3,575,216	73,501	-	140	68,079,984	71,728,841
Loss allowance	(501,655)	-	-	(140)	(54,738,122)	(55,239,917)
	<u>3,073,561</u>	<u>73,501</u>	<u>-</u>	<u>-</u>	<u>13,341,862</u>	<u>16,488,924</u>

As of 31 December 2020

Gross carrying amount						
- amounts due from related parties	823,185	165,353	-	200	55,685,312	56,674,050
Loss allowance	(282,085)	-	-	(200)	(55,685,312)	(55,967,597)
	<u>541,100</u>	<u>165,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706,453</u>

14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Classification of the Group's financial assets and financial liabilities are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial assets as at 31 December 2020				
Cash and cash equivalents	-	-	108,444,129	108,444,129
Short-term investment	-	-	172,412	172,412
Trade and other receivables	-	-	25,323,319	25,323,319
Other non-current assets	-	-	18,035,351	18,035,351

	CONSOLIDATED FINANCIAL STATEMENTS			
	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial liabilities as at 31 December 2020				
Short-term borrowings from financial institutions	-	-	710,000,000	710,000,000
Trade and other payables	-	-	209,648,998	209,648,998
Lease liabilities	-	-	778,412,349	778,412,349
Long-term borrowings from financial institutions	-	-	2,172,254,467	2,172,254,467
Derivative financial liabilities	19,219,821	-	-	19,219,821
Other non-current liabilities	-	-	21,329,110	21,329,110

	SEPARATE FINANCIAL STATEMENTS			
	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial assets as at 31 December 2020				
Cash and cash equivalents	-	-	107,192,032	107,192,032
Short-term investment	-	-	172,412	172,412
Trade and other receivables	-	-	25,538,938	25,538,938
Other non-current assets	-	-	14,158,100	14,158,100

	SEPARATE FINANCIAL STATEMENTS			
	FVPL Baht	FVOCI Baht	Amortised cost Baht	Total Baht
Financial liabilities as at 31 December 2020				
Short-term borrowings from financial institutions	-	-	710,000,000	710,000,000
Trade and other payables	-	-	272,642,485	272,642,485
Lease liabilities	-	-	987,578,357	987,578,357
Long-term borrowings from financial institutions	-	-	2,172,254,467	2,172,254,467
Derivative financial liabilities	19,219,821	-	-	19,219,821
Other non-current liabilities	-	-	21,081,373	21,081,373

15. 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	
	2020 Baht	2019 Baht
Opening net book value	79,071,545	78,276,313
Share of (loss) profit of associates	(34,535,639)	27,835,232
Dividends received from associate	-	(27,040,000)
Closing net book value	44,535,906	79,071,545

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

	SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht
Subsidiaries:		
Investments in subsidiaries, cost	4,100,000	4,100,000
<u>Less</u> Allowance for impairment of investments in subsidiaries	(4,000,000)	(4,000,000)
Investments in subsidiaries, net	100,000	100,000

	SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht
Associates:		
Investments in associates, cost	50,124,869	50,124,869
<u>Less</u> Allowance for impairment of investments in associates	(40,604,869)	(40,604,869)
Investments in associates, net	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	Airline catering	Thailand	Shareholder	Baht
which has a subsidiary as follows: 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

Company's name	SEPARATE FINANCIAL STATEMENTS			
	As at 31 December 2020			
	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> Allowance for impairment of investments in subsidiaries			(4,000,000)	-
Total investments in subsidiaries, net			100,000	-

SEPARATE FINANCIAL STATEMENTS

Company's name	As at 31 December 2019			
	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> Allowance for impairment of investments in subsidiaries			(4,000,000)	-
Total investments in subsidiaries, net			100,000	-

e) Carrying values of investments in associates

Company's name	As at 31 December 2020				
	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	44,515,683	-
Bagan Hotel Holding Company (BVI) Limited	81,181,488	50	40,604,869	20,223	-
Total investments in associates			50,124,869	44,535,906	-
<u>Less</u> Allowance for impairment of investments in associates			(40,604,869)	-	-
Total investments in associates, net			9,520,000	44,535,906	-

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> Allowance for impairment of investments in associates			(40,604,869)	-	-
Total investments in associates, net			9,520,000	79,071,545	27,040,000

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	
	2020 Baht	2019 Baht
Current assets		
Cash and cash equivalents	184,992,582	199,795,847
Other current assets (excluding cash)	21,974,143	169,154,888
Total current assets	206,966,725	368,950,735
Non-current assets	227,402,350	247,536,558
	434,369,075	616,487,293
Current liabilities	186,573,810	173,303,111
Non-current liabilities	3,092,485	8,725,142
	189,666,295	182,028,253
Net assets	244,702,780	434,459,040

Summarised statement of comprehensive income

	For the years ended 31 December	
	2020 Baht	2019 Baht
Revenues	240,265,630	859,965,618
Cost of sales	(333,153,265)	(538,305,119)
Selling and administrative expenses	(82,860,266)	(120,425,565)
Depreciation and amortisation	(13,132,393)	(11,047,886)
(Loss) Profit from continuing operations	(188,880,294)	190,187,048
Income tax expense	(875,966)	(36,817,638)
Total comprehensive income	(189,756,260)	153,369,410
Dividends received from associate	-	27,040,000

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

	2020 Baht	2019 Baht
Net assets as at 1 January	434,459,040	430,089,630
(Loss) profit for the year	(189,756,260)	153,369,410
Other comprehensive income	-	-
Dividends	-	(149,000,000)
Net assets as at 31 December	244,702,780	434,459,040
Non-controlling interests (30%)	(73,410,834)	(130,337,712)
Closing net assets attributable to owners of the parent	171,291,946	304,121,328
Interest in associate (26%)	44,535,906	79,071,545

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

16. PROPERTY, PLANT AND EQUIPMENT

CONSOLIDATED FINANCIAL STATEMENTS

	Buildings and improvements Land Baht	improvements and renovations 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 2019									
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
Less 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	<u>28,562,635</u>	<u>301,130,105</u>	<u>490,713,423</u>	<u>197,900,606</u>	<u>192,669,429</u>	<u>1,473,354</u>	<u>3,714,756</u>	<u>193,620,735</u>	<u>1,409,785,043</u>
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 29)	-	(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 29)	-	(58,927,088)	(70,259,303)	(42,451,185)	(54,338,417)	(619,942)	(3,440,196)	-	(230,036,131)
Closing net book amount	<u>28,562,635</u>	<u>596,909,820</u>	<u>422,582,383</u>	<u>298,187,131</u>	<u>347,507,038</u>	<u>961,821</u>	<u>58,040,902</u>	<u>856,332,280</u>	<u>2,609,084,010</u>
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
Less 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	<u>28,562,635</u>	<u>596,909,820</u>	<u>422,582,383</u>	<u>298,187,131</u>	<u>347,507,038</u>	<u>961,821</u>	<u>58,040,902</u>	<u>856,332,280</u>	<u>2,609,084,010</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Land Baht	Buildings and 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 2020									
Opening 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
Revaluation surplus	3,011,437,365	-	-	-	-	-	-	-	3,011,437,365
Additions	-	-	-	763,919	1,092,191	-	7,118,766	684,737,547	693,712,423
Disposals, net	-	-	-	(16,593)	(600,791)	(1)	-	-	(617,385)
Write-off, net	-	-	-	-	(1)	-	-	(126,694,273)	(126,694,274)
Transfers	-	840,198,303	2,161,566	183,951,139	367,904,809	-	-	(1,394,215,817)	-
Depreciation charge (Note 29)	-	(91,862,730)	(70,246,783)	(60,757,624)	(73,843,059)	(362,713)	(16,522,135)	-	(313,595,044)
Closing net book amount	3,040,000,000	1,345,245,393	354,497,166	422,127,972	642,060,187	599,107	48,637,533	20,159,737	5,873,327,095
At 31 December 2020									
Cost	3,040,000,000	2,326,453,373	1,276,530,241	858,633,072	1,193,176,727	8,967,716	68,147,547	20,159,737	8,792,068,413
Less Accumulated depreciation	-	(981,207,980)	(922,033,075)	(436,505,100)	(551,116,540)	(8,368,609)	(19,510,014)	-	(2,918,741,318)
Net book amount	3,040,000,000	1,345,245,393	354,497,166	422,127,972	642,060,187	599,107	48,637,533	20,159,737	5,873,327,095

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 2019									
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	<u>28,562,635</u>	<u>301,130,105</u>	<u>403,045,186</u>	<u>197,900,606</u>	<u>192,876,151</u>	<u>1,473,354</u>	<u>3,714,756</u>	<u>193,620,735</u>	<u>1,322,323,528</u>
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 29)	-	(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 29)	-	(58,927,088)	(59,653,767)	(42,451,185)	(54,338,417)	(488,346)	(3,440,196)	-	(219,298,999)
Closing net book amount	<u>28,562,635</u>	<u>596,909,820</u>	<u>345,519,682</u>	<u>298,187,131</u>	<u>347,713,760</u>	<u>910,155</u>	<u>58,040,902</u>	<u>856,332,280</u>	<u>2,532,176,365</u>
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	<u>28,562,635</u>	<u>596,909,820</u>	<u>345,519,682</u>	<u>298,187,131</u>	<u>347,713,760</u>	<u>910,155</u>	<u>58,040,902</u>	<u>856,332,280</u>	<u>2,532,176,365</u>

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
Year ended 31 December 2020									
Opening 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
Revaluation surplus	3,011,437,365	-	-	-	-	-	-	-	3,011,437,365
Additions	-	-	-	763,919	1,092,191	-	7,118,766	684,737,547	693,712,423
Disposals, net	-	-	-	(16,593)	(600,791)	(1)	-	-	(617,385)
Write-off, net	-	-	-	-	(1)	-	-	(126,694,273)	(126,694,274)
Transfers	-	840,198,303	2,161,566	183,951,139	367,904,809	-	-	(1,394,215,817)	-
Depreciation charge (Note 29)	-	(91,862,730)	(59,716,590)	(60,757,624)	(73,843,059)	(311,050)	(16,522,135)	-	(303,013,188)
Closing net book amount	3,040,000,000	1,345,245,393	287,964,658	422,127,972	642,266,909	599,104	48,637,533	20,159,737	5,807,001,306
At 31 December 2020									
Cost	3,040,000,000	2,326,453,373	876,949,410	858,633,072	1,193,383,449	7,227,716	68,147,547	20,159,737	8,390,954,304
Less Accumulated depreciation	-	(981,207,980)	(588,984,752)	(436,505,100)	(551,116,540)	(6,628,612)	(19,510,014)	-	(2,583,952,998)
Net book amount	3,040,000,000	1,345,245,393	287,964,658	422,127,972	642,266,909	599,104	48,637,533	20,159,737	5,807,001,306

The Group wrote-off tangible assets due to the termination of contract from the contractor and received a certain amount of compensations.

As at 31 December 2020, borrowing costs of Baht 22.61 million (2019: 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 2.82% - 2.99% used representing the actual borrowing cost of the loan used to finance the project.

The Group made change in accounting policy in respect of land from measure at cost to fair value.

If the land was stated on the historical cost basis, the amounts would be as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost	28,562,635	28,562,635	28,562,635	28,562,635
Net book amount	28,562,635	28,562,635	28,562,635	28,562,635

Fair value of land

An independent valuation of the Group's land was performed by valuers name Jones Lang LaSalle (Thailand) Limited to determine the fair value of the land as at 30 June 2020. The revaluation surplus net of applicable deferred income taxes was credited to other comprehensive income.

The following table analyses property, plant and equipment carried at fair value, by valuation method.

	Quoted prices in active markets for identical assets (level 1) Baht	Significant other observable inputs (level 2) Baht	Significant unobservable inputs (level 3) Baht
Recurring fair value measurements			
Land	-	-	3,040,000,000
	-	-	3,040,000,000

There were no transfers between levels of fair value hierarchy during the year.

Fair value measurements using significant unobservable inputs (level 3)

Fair values for level 3 are assessed by third parties by using the method of comparing sales items. However, for where similar sales data are limited in a local market and valuations are made using information that cannot be observed in the market, the external appraiser and the Company's appraiser has considered the information used to assess the fair value from location, size, and condition of land, and comparable items in the economy which assets are located.

Information about fair value measurements using significant unobservable inputs (level 3).

Description	Fair value as at 30 June 2020	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of Unobservable inputs to fair value
Land	3,040,000,000	Sales comparison approach	Price per square wah	Baht 1.42 million - Baht 2.84 million (Baht 2 million)	The higher the price per square wah, the higher the fair value

Impairment

During the year, the management decided to undertake a revaluation of the land in order to bring into the books the fair market value of land owns by the Company. As a result, the Company capitalised the gains amount of Baht 3,011 million. The Company had made an investment on a major renovation during the year 2019 and 2020, which some facilities have been closed resulted in revenue dropped significantly during the renovation. In the beginning of 2020, the impact from Coronavirus disease (COVID-19) pandemic has severely affected on the operations of the Company caused the hotel's performance declined significantly. The management perform impairment testing of the hotel cash generality unit (CGU).

The recoverable amount of hotel CGU, including properties, equipment and right-of-use assets, is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets covering a 5-year period. The assumptions based on the expectation that the Company's operation will be back to normal in 2023 based on current situation of COVID-19 at the end of the year 2020 and the market analysis for the future situation which predicted that the COVID-19 vaccination will be globally completed by the end of 2022. Additionally, the Group estimated revenue growth rate since 2024 onwards at 3% per annum and a discount rate of 8.87%. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The recoverable amount of the hotel CGU is estimated to exceed the carrying value amount of the hotel CGU, therefore no impairment loss is recognized in the year 2020.

Sensitivity analysis

Change in assumption	%	Impact on impairment	
		CONSOLIDATED	SEPARATE
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2020	2020
Discount rate	+0.5%	Increase in impairment loss of Baht 33 million	Increase in impairment loss of Baht 153 million
	-0.5%	No impairment loss	No impairment loss

17. RIGHT-OF-USE ASSETS

Details of right-of-use asset balance as at 31 December 2020, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
Right-of-use assets				
Retail stores	40,340,607	57,332,794	40,340,607	57,332,794
Buildings	-	-	98,888,172	103,711,985
Land	501,425,011	534,003,380	744,113,780	788,547,383
	<u>541,765,618</u>	<u>591,336,174</u>	<u>883,342,559</u>	<u>949,592,162</u>

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Retail Stores Baht	Buildings Baht	Land Baht	Total Baht
Balance as at 1 January 2020 (Note 6)	57,332,794	-	534,003,380	591,336,174
Depreciation charge	(16,992,187)	-	(32,578,369)	(49,570,556)
Balance as at 31 December 2020	<u>40,340,607</u>	<u>-</u>	<u>501,425,011</u>	<u>541,765,618</u>

	SEPARATE FINANCIAL STATEMENTS			
	Retail Stores Baht	Buildings Baht	Land Baht	Total Baht
Balance as at 1 January 2020 (Note 6)	57,332,794	103,711,985	788,547,383	949,592,162
Depreciation charge	(16,992,187)	(4,823,813)	(44,433,603)	(66,249,603)
Balance as at 31 December 2020	<u>40,340,607</u>	<u>98,888,172</u>	<u>744,113,780</u>	<u>883,342,559</u>

During the year 2020, the Group test impairment of right-of-use assets. Please see note 16.

The expense relating to leases that not included in the measurement of lease liabilities and right-of-use assets and cash outflows for leases is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	2020 Baht	2020 Baht
Expense relating to leases of low-value assets	86,678	86,678
Expense relating to variable lease payments	5,667,321	5,667,321
Total cash outflow for leases	37,568,214	61,720,319

Variable lease payment

Some property lease contains variable payment terms that are linked to sales generated from performance's retail stores. For individual stores, most of lease payments mainly are on the basis of variable payment terms with percentage ranging from 12% to 19% of sales. Variable payment terms are used for the variety of reasons, including minimising the fixed cost base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payment occur.

18. INTANGIBLE ASSETS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
	Computer software Baht
At 1 January 2019	
Cost	100,734,743
<u>Less Accumulated amortisation</u>	<u>(84,161,686)</u>
Net book amount	<u>16,573,057</u>
Year ended 31 December 2019	
Opening net book amount	16,573,057
Additions	6,429,354
Write-off, net	(6,903)
Amortisation charge (Note 29)	<u>(7,249,547)</u>
Closing net book amount	<u>15,745,961</u>
At 31 December 2019	
Cost	94,603,387
<u>Less Accumulated amortisation</u>	<u>(78,857,426)</u>
Net book amount	<u>15,745,961</u>
Year ended 31 December 2020	
Opening net book amount	15,745,961
Additions	3,795,335
Amortisation charge (Note 29)	<u>(8,532,235)</u>
Closing net book amount	<u>11,009,061</u>
At 31 December 2020	
Cost	98,398,722
<u>Less Accumulated amortisation</u>	<u>(87,389,661)</u>
Net book amount	<u>11,009,061</u>

19. DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	1,811,000	5,790,122	1,811,000	5,790,122
Deferred tax asset to be recovered more than 12 months	<u>242,115,689</u>	<u>138,878,943</u>	<u>250,507,377</u>	<u>127,330,418</u>
	<u>243,926,689</u>	<u>144,669,065</u>	<u>252,318,377</u>	<u>133,120,540</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled more than 12 months	<u>(602,287,473)</u>	<u>-</u>	<u>(602,287,473)</u>	<u>-</u>
	<u>(602,287,473)</u>	<u>-</u>	<u>(602,287,473)</u>	<u>-</u>
Deferred tax (net)	<u>(358,360,784)</u>	<u>144,669,065</u>	<u>(349,969,096)</u>	<u>133,120,540</u>

The movements in deferred tax assets and liabilities during the year is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred tax assets				
Opening balance	144,669,065	41,817,853	133,120,540	33,538,928
Adjustments from changes in accounting policies (Note 6)	<u>7,012,526</u>	<u>-</u>	<u>12,165,938</u>	<u>-</u>
Opening balance after restatement	151,681,591	41,817,853	145,286,478	33,538,928
Credited to profit or loss (Note 30)	95,209,413	98,528,134	109,996,214	95,258,534
(Charged) credited to other comprehensive income	<u>(605,251,788)</u>	<u>4,323,078</u>	<u>(605,251,788)</u>	<u>4,323,078</u>
Closing balance	<u>(358,360,784)</u>	<u>144,669,065</u>	<u>(349,969,096)</u>	<u>133,120,540</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Tax losses Baht	Lease liabilities Baht	Accrued land rental Baht	Cash flow hedges Baht	Other allowances and provision Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets							
At 1 January 2019	-	-	11,548,525	-	3,710,691	26,558,637	41,817,853
Credited to profit or loss	92,907,149	-	-	-	308,899	5,312,086	98,528,134
Credited to other comprehensive income	-	-	-	2,436,878	-	1,886,200	4,323,078
At 31 December 2019	92,907,149	-	11,548,525	2,436,878	4,019,590	33,756,923	144,669,065
Adjustments from changes in accounting policies (Note 6)	-	7,012,526	-	-	-	-	7,012,526
At 1 January 2020	92,907,149	7,012,526	11,548,525	2,436,878	4,019,590	33,756,923	151,681,591
Credited (charged) to profit or loss	104,135,491	4,331,616	(11,548,525)	-	(3,534,124)	3,711,155	95,209,413
Credited (charged) to other comprehensive income	-	-	-	1,407,085	-	(6,257,600)	(2,964,315)
At 31 December 2020	197,042,640	11,344,142	-	3,843,963	485,466	31,210,478	243,926,689

		CONSOLIDATED FINANCIAL STATEMENTS	
		Remeasurement of land at fair value Baht	Total Baht
Deferred tax liabilities			
At 1 January 2019			
(Charged) credited to profit or loss		-	-
(Charged) credited to other comprehensive income		-	-
At 31 December 2019			
Adjustments from changes in accounting policies (Note 6)		-	-
At 1 January 2020			
Charged to other comprehensive income		(602,287,473)	(602,287,473)
At 31 December 2020		(602,287,473)	(602,287,473)

SEPARATED FINANCIAL STATEMENTS						
	Tax losses Baht	Lease liabilities Baht	Cash flow hedges Baht	Other allowances and provision Baht	Employee benefit obligations Baht	Total Baht
Deferred tax liabilities						
At 1 January 2019	-	-	-	3,710,691	29,828,237	33,538,928
Credited to profit or loss	92,907,149	-	-	308,899	2,042,486	95,258,534
Credited to other comprehensive income	-	-	2,436,878	-	1,886,200	4,323,078
At 31 December 2019	92,907,149	-	2,436,878	4,019,590	33,756,923	133,120,540
Adjustments from changes in accounting policies (Note 6)	-	12,165,938	-	-	-	12,165,938
At 1 January 2020	92,907,149	12,165,938	2,436,878	4,019,590	33,756,923	145,286,478
Credited (charged) to profit or loss	104,135,491	7,569,892	-	(3,534,124)	3,711,155	109,996,214
Credited (charged) to other comprehensive income	-	-	1,407,085	-	(6,257,600)	(2,964,315)
At 31 December 2020	197,042,640	19,735,830	3,843,963	485,466	31,210,478	252,318,377

	SEPARATE FINANCIAL STATEMENTS	
	Remeasurement of land at fair value Baht	Total Baht
Deferred tax liabilities		
At 1 January 2019		
(Charged) credited to profit or loss	-	-
(Charged) credited to other comprehensive income	-	-
At 31 December 2019		
Adjustments from changes in accounting policies (Note 6)	-	-
At 1 January 2020		
Charged to other comprehensive income	(602,287,473)	(602,287,473)
At 31 December 2020	(602,287,473)	(602,287,473)

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 0.97 million (2019: Baht 1.21 million) in respect of tax losses amounting to Baht 4.83 million (2019: Baht 6.06 million) that can be carried forward against future taxable profits.

A summary of the tax losses carried forward that does not recognise deferred tax asset and expiry dates are set out below:

	CONSOLIDATED FINANCIAL STATEMENTS Baht	SEPARATE FINANCIAL STATEMENTS Baht
2021	1,414,917	-
2022	1,416,075	-
2023	600,496	-
2024	645,533	-
2025	748,865	-

20. TRADE AND OTHER PAYABLES

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade accounts payable	51,148,443	66,526,514	51,086,539	66,526,514
Amounts due to related parties (Note 32 c))	15,513,703	34,682,168	78,548,209	86,156,026
Accrued expenses	77,059,411	92,797,020	76,419,181	88,703,572
Deposits from customers	67,443,238	86,882,834	64,983,988	84,430,334
Retention payable	36,490,118	29,275,888	36,490,118	29,275,888
Payable for purchase of assets	143,383,880	102,205,864	143,383,880	102,205,864
Other accounts payable	6,039,253	7,177,767	5,940,467	7,078,981
Total trade and other payables	397,078,046	419,548,055	456,852,382	464,377,179

21. 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	
	2020 Baht	2019 Baht
Opening balance	420,000,000	70,000,000
<u>Add</u> Additions during the year	925,000,000	820,000,000
<u>Less</u> Repayments during the year	(635,000,000)	(470,000,000)
Closing balance	710,000,000	420,000,000

The short-term borrowings from financial institutions represent loans from the Revolving Facility Agreements which are denominated in Baht. The borrowings bear interest at the rates of 1.60% to 2.60% (2019: 2.45% to 2.68%) and will be repayable in 2021 (2019: in January 2020).

The Group had uncommitted borrowing facilities totaling Baht 1,000 million (2019: Baht 1,000 million). As at 31 December 2020, the balance of drawdown is Baht 710 million, net of repayment during the year (2019: Baht 420 million). Undrawn uncommitted credit facilities are not subject to commitment fee.

The fair values of current borrowings are similar to their carrying amounts, as the impact of discounting is not material.

22. DERIVATIVE FINANCIAL LIABILITIES

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht
Current interest rate swap	-	-
Non-current interest rate swap	19,219,821	12,184,394
Total interest rate swap	19,219,821	12,184,394

The valuation used the present value of the estimated future cash flows based on observable yield curves. They are classified as level 2 fair value.

Cash flow hedging on long-term borrowing

To avoid the uncertainty of floating interest rate exposure under THB denominated borrowing, 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. Please see note 8.1.1 b).

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 2020, the effective portion of the fair value of swap is recognised in the other comprehensive income.

Reconciliation of reserves

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
	Interest rate swaps Baht
Opening balance as at 1 January 2019	-
<u>Add</u> : Change in fair value of hedging instrument recognised in OCI for the year	(12,873,228)
<u>Less</u> : Reclassified from OCI to profit or loss	688,834
<u>Less</u> : Deferred tax	2,436,878
Closing balance 31 December 2019	(9,747,516)
<u>Add</u> : Change in fair value of hedging instrument recognised in OCI for the year	(8,928,714)
<u>Less</u> : Reclassified from OCI to profit or loss	1,893,288
<u>Less</u> : Deferred tax	1,407,085
Closing balance 31 December 2020	(15,375,857)

23. BORROWINGS

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht
Non-current		
Long-term borrowings from financial institution	2,172,254,467	1,730,000,000
Total non-current borrowings	2,172,254,467	1,730,000,000
Total borrowings	2,172,254,467	1,730,000,000

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

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht
Opening balance	1,730,000,000	350,000,000
Reclassification - TFRS 9 (Note 6)	(3,281,249)	-
<u>Add</u> Additions during the year	730,000,000	1,730,000,000
<u>Less</u> Repayment during the year	(285,000,000)	(350,000,000)
<u>Add</u> Amortisation for financial service fee	535,716	-
Closing balance	<u>2,172,254,467</u>	<u>1,730,000,000</u>

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 2020 assumed to approximate their carrying amount because the borrowings bear float interest rate, which approximates the year end market rate.

Maturity of lease liabilities are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
Minimum lease liabilities payments				
Not later than one year	96,698,295	63,597,410	109,356,520	55,966,320
Later than 1 year but not later than 5 years	218,416,780	234,096,613	287,930,942	305,425,562
Later than 5 years	669,810,615	719,045,882	867,335,918	959,197,818
<u>Less</u> Future finance charges on leases	<u>(206,513,341)</u>	<u>(232,408,361)</u>	<u>(277,045,023)</u>	<u>(310,167,849)</u>
Present value of lease liabilities	<u>778,412,349</u>	<u>784,331,544</u>	<u>987,578,357</u>	<u>1,010,421,851</u>
Present value of lease liabilities:				
Not later than one year	71,568,144	37,714,469	77,469,483	48,843,494
Later than 1 year but not later than 5 years	132,420,008	174,660,082	174,888,652	210,129,873
Later than 5 years	574,424,197	571,956,993	735,220,222	751,448,484
	<u>778,412,349</u>	<u>784,331,544</u>	<u>987,578,357</u>	<u>1,010,421,851</u>

Change in liabilities arising from financing activities are as follow:

CONSOLIDATED FINANCIAL STATEMENTS				
	Short-term borrowings Baht	Long-term borrowings Baht	Lease liabilities Baht	Total Baht
Liabilities as at 1 January 2019	70,000,000	350,000,000	-	420,000,000
Cash inflows	820,000,000	1,730,000,000	-	2,550,000,000
Cash outflows	(470,000,000)	(350,000,000)	-	(820,000,000)
Other non-cash movements	-	-	-	-
Liabilities as at 31 December 2019	420,000,000	1,730,000,000	-	2,150,000,000
Adjustments from changes in accounting policy (Note 6)	-	(3,281,249)	784,331,544	781,050,295
Liabilities as at 1 January 2020	420,000,000	1,726,718,751	784,331,544	2,931,050,295
Cash inflows	925,000,000	730,000,000	-	1,655,000,000
Cash outflows				
- Principal	(635,000,000)	(285,000,000)	(17,687,963)	(937,687,963)
- Interest	-	-	(21,151,020)	(21,151,020)
Waived rental	-	-	(4,744,000)	(4,744,000)
Amortisation for deferred interest	-	-	37,663,788	37,663,788
Amortisation for financial service fee	-	535,716	-	535,716
Liabilities as at 31 December 2020	710,000,000	2,172,254,467	778,412,349	3,660,666,816

SEPARATED FINANCIAL STATEMENTS

	Short-term borrowings Baht	Long-term borrowings Baht	Lease liabilities Baht	Total Baht
Liabilities as at 1 January 2019	70,000,000	350,000,000	-	420,000,000
Cash inflows	820,000,000	1,730,000,000	-	2,550,000,000
Cash outflows	(470,000,000)	(350,000,000)	-	(820,000,000)
Other non-cash movements	-	-	-	-
Liabilities as at 31 December 2019	420,000,000	1,730,000,000	-	2,150,000,000
Adjustments from changes in accounting policy	-	(3,281,249)	1,010,421,851	1,007,140,602
Liabilities as at 1 January 2020	420,000,000	1,726,718,751	1,010,421,851	3,157,140,602
Cash inflows	925,000,000	730,000,000	-	1,655,000,000
Cash outflows				
- Principal	(635,000,000)	(285,000,000)	(31,467,491)	(951,467,491)
- Interest	-	-	(28,378,826)	(28,378,826)
Waived rental	-	-	(4,744,000)	(4,744,000)
Amortisation for deferred interest	-	-	41,746,823	41,746,823
Amortisation for financial service fee	-	535,716	-	535,716
Liabilities as at 31 December 2020	710,000,000	2,172,254,467	987,578,357	3,869,832,824

24. 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Present value of obligations	156,052,382	168,784,612	156,052,382	168,784,612
Liability in the statement of financial position	156,052,382	168,784,612	156,052,382	168,784,612

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
At 1 January	168,784,612	132,793,183	168,784,612	132,793,183
Current service cost	24,680,232	28,640,251	24,680,232	28,640,251
Past service cost	-	21,707,000	-	21,707,000
Interest cost	2,938,000	3,978,000	2,938,000	3,978,000
(Gain) loss on remeasurements	(21,857,000)	9,431,000	(21,857,000)	9,431,000
Benefits paid	(18,493,462)	(27,764,822)	(18,493,462)	(27,764,822)
At 31 December	156,052,382	168,784,612	156,052,382	168,784,612

The amounts recognised in profit or loss are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current service cost	24,680,232	28,640,251	24,680,232	12,292,251
Past service cost	-	21,707,000	-	21,707,000
Interest cost	2,938,000	3,978,000	2,938,000	3,978,000
Total	27,618,232	54,325,251	27,618,232	37,977,251

The amounts recognised in other comprehensive income are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
(Gain) Loss from change in financial assumptions	(5,775,000)	19,847,000	(5,775,000)	19,847,000
Experience gain	(16,082,000)	(10,416,000)	(16,082,000)	(10,416,000)
Remeasurement in the year	(21,857,000)	9,431,000	(21,857,000)	9,431,000
Cumulative (gain) loss on remeasurement	(15,195,000)	6,823,000	(15,195,000)	6,662,000

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 2019.

The principal actuarial assumptions used were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Permanent staff				
Discount rate	1.60%	1.80%	1.60%	1.80%
Salary increase rate	4.00%	4.50%	4.00%	4.50%
Temporary staff				
Discount rate	2.00%	-	2.00%	-
Salary increase rate	-	-	-	-

Sensitivity analysis for principal actuarial assumptions used were as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
		Impact on defined benefit obligation			
		Increase in obligation		Decrease in obligation	
Change in assumption %		2020	2019	2020	2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	+1.0%	-	-	(18,306)	(19,847)
	-1.0%	22,316	24,109	-	-
Salary increase rate	+1.0%	21,186	22,873	-	-
	-1.0%	-	-	(17,771)	(19,316)

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 13.3 years (2019: 13.2 years).

Expected maturity analysis of undiscounted retirement was as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
At 31 December 2020					
Retirement benefits	9,055,000	4,230,000	17,633,000	530,647,000	561,565,000
At 31 December 2019					
Retirement benefits	11,280,000	6,191,000	19,544,000	647,285,000	684,300,000

25. SHARE CAPITAL

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Number of authorised and issued shares Shares	Ordinary shares Baht
As at 1 January 2019	15,097,800	150,978,000
As at 31 December 2019	15,097,800	150,978,000
As at 31 December 2020	15,097,800	150,978,000

The total authorised number of ordinary shares is 15,097,800 ordinary shares (2019: 15,097,800 shares) with a par value of Baht 10 per share (2019: Baht 10 per share). All issued shares are fully paid-up.

26. 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.

27. HOTEL INCOME

Hotel income for the years ended 31 December 2020 and 2019 comprise:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Room income	220,073,537	385,446,996	220,073,537	385,446,996
Food and beverage income	483,613,853	639,516,377	483,613,853	639,516,377
Other service income	209,974,010	276,208,937	208,873,199	273,840,695
Total hotel income	913,661,400	1,301,172,310	912,560,589	1,298,804,068

28. OTHER INCOME

Other income for the years ended 31 December 2020 and 2019 comprise:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest income	169,313	299,745	723,193	847,849
Dividend income	-	-	-	27,040,000
Others	307,802	9,421,554	307,802	9,421,554
Total other income	477,115	9,721,299	1,030,995	37,309,403

29. 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Staff costs	421,080,400	532,956,221	421,080,400	523,956,221
Depreciation charge on property, plant and equipment (Note 16) and right-of-use asset (Note 17)	363,165,600	230,036,131	369,262,791	219,298,999
Amortisation charge on intangible assets (Note 18)	8,532,235	7,249,547	8,532,235	7,249,547
Operating lease (2019)	-	70,594,740	-	88,822,140
Expense relating to leases of low-value asset	520,068	-	520,068	-
Repairs and maintenance	37,151,629	50,305,811	37,151,629	50,305,811
Loss on write-off of property, plant and equipment	1	79,969,266	1	79,969,266

30. INCOME TAX INCOME

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current tax	3,065,866	-	-	-
Deferred tax (Note 19)	(95,209,413)	(98,528,134)	(109,996,214)	(95,258,534)
Income tax income for the year	(92,143,547)	(98,528,134)	(109,996,214)	(95,258,534)

The tax on the Group's and the Company's loss 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Loss before income tax income	(572,264,622)	(469,446,247)	(554,462,405)	(448,749,291)
Tax rate	20%	20%	20%	20%
The result of accounting loss multiplied by tax rate	(114,452,924)	(93,889,249)	(110,892,481)	(89,749,858)
Tax effect of:				
Associates' results reported net of tax	6,907,128	(5,567,046)	-	-
Expense not deducted for tax purposes	3,993,881	353,153	1,186,197	514,822
Expense that are deductible at a greater amount from actual expenses	(289,930)	(615,498)	(289,930)	(615,498)
Income not subject to tax	-	-	-	(5,408,000)
Tax losses for which no deferred income tax asset was recognised	149,773	1,190,506	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	11,548,525	-	-	-
Tax charge	(92,143,547)	(98,528,134)	(109,996,214)	(95,258,534)

31. BASIC LOSS PER SHARE

Basic loss per share are calculated by dividing the net loss 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	
	2020 Million Baht	2019 Million Baht	2020 Million Baht	2019 Million Baht
Loss attributable to shareholders of the Company (Baht)	(480,121,075)	(370,918,113)	(444,466,191)	(353,490,757)
Weighted average number of ordinary shares in issue (Shares)	15,097,800	15,097,800	15,097,800	15,097,800
Basic loss per share (Baht)	(31.80)	(24.57)	(29.44)	(23.41)

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2020 and 2019.

32. 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	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Sales of goods and services rendered to:				
Subsidiaries	-	-	360,000	360,000
Other related parties	-	602,194	-	602,194
	-	602,194	360,000	962,194

b) Purchases of goods and services

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Purchases of goods and services received from:				
Subsidiaries	-	-	37,431,262	36,045,171
Other related parties	73,268,368	101,393,938	73,268,368	101,304,668
	73,268,368	101,393,938	110,699,630	137,349,839

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Amounts due from related parties:				
Subsidiaries	-	-	56,268,206	68,810,398
Other related parties	405,844	2,918,443	405,844	2,918,443
Total	405,844	2,918,443	56,674,050	71,728,841
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	-	-	(55,967,597)	(55,239,917)
	405,844	2,918,443	706,453	16,488,924
Amounts due to related parties:				
Subsidiaries	-	-	63,034,506	51,473,858
Other related parties	15,513,703	34,682,168	15,513,703	34,682,168
	15,513,703	34,682,168	78,548,209	86,156,026

d) Key management compensation

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Short-term salaries	32,491,730	40,488,916	32,491,730	40,488,916
Post-employment benefits	155,000	1,261,000	155,000	1,261,000

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

33. 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 135.87 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.

34. CONTINGENT LIABILITIES

In October 2020, a subcontractor for the River Wing building renovation project has filed a lawsuit with the Civil Court of Southern Bangkok against the Company claiming for the unpaid payment under the construction agreement between the subcontractor and the primary contractor of the Company amount totaling Baht 61.44 million together with interest of Baht 3.43 million. The subcontractor claims that the Company has the outstanding payment to the primary contractor thus the primary contractor has no financial capability to make a payment to them, therefore they are eligible to exercise the contractor's right to file a lawsuit against the Company.

As at 31 December 2020, the Company did not record any provision in the financial statements relating to the claim because management has determined, after obtaining advice from external counsel, that the Company has no legal relationship, agreement or contract whatsoever, with the subcontractor. In addition, the Company has denied the claim of the subcontractor and confirmed no outstanding payment to the primary contractor.

35. COMMITMENTS

As at 31 December 2020, the Group and the Company have outstanding commitments as follows:

a) 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.

b) The Group and the Company have outstanding capital expenditure and construction commitments of Baht 140.50 million and Baht 140.50 million, respectively (2019: Baht 426.86 million and Baht 426.86 million, respectively).

c) As at 31 December 2019, the Group and the Company lease land, building and retails under non-cancellable operating lease agreement.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not later than 1 year	-	52,284,790	-	70,653,700
Later than 1 year but not later than 5 years	-	189,364,351	-	260,693,300
Later than 5 years	-	775,090,763	-	989,242,700
Total operating lease commitments	-	1,016,739,904	-	1,320,589,700

36. BANK GUARANTEES

As at 31 December 2020, 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 (2019: Baht 8.10 million and Baht 7.30 million, respectively).

37. EVENTS OCCURRING AFTER THE REPORTING PERIOD

In January 2020, the Company borrowed additional short-term loans from financial institution of Baht 20 million for the hotel operation and long-term loans from financial institution of Baht 170 million to repay an existing loan and settle accounts payable arising from the Renovation of River Wing Building.

AUDITORS AND REMUNERATION

The Board of Directors had appointed Ms. Sinsiri Thangsombat, Auditors License No.7352 and/or Mr. Paiboon Tunkoon, 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 2020 is Baht 1,739,100, excluding audit fee for associate company of Baht 41,500. Total audit fee for 2020 was Baht 1,780,600 (2019: Baht 1,678,100).

NON-AUDIT FEE

There were no transactions for non-audit fees with the auditors during the year 2020.

AUDIT COMMITTEE REPORT

The Audit Committee of OHTL Public Company Limited comprising three independent directors were 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.

The Audit Committee members are as follows:

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

In 2020, the Audit Committee held a total of four meetings, all of which were convened with full attendance. 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 to discuss various issues in relation to the preparation of the financial statements and disclosure in the notes to financial statements independently.

The Audit Committee performed significant duties and reported to the Board of Directors as follows:

REVIEW FINANCIAL REPORTS

The Audit Committee reviewed the Company's quarterly and year-end financial reports for the year 2020, 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 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.

REVIEW INTERNAL CONTROL AND RISK ASSESSMENT

The Audit Committee 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 was appropriate and has been continuously improved.

The risk management plan and the achievement against the plan proposed by the Risk Management Committee have been reviewed and discussed on a quarterly basis. The Audit Committee provided useful recommendations to ensure the efficiency of the risk management of the Company.

REVIEW RELATED PARTY TRANSACTIONS

The Audit Committee reviewed related party 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 2020.

REVIEW COMPLIANCE WITH RELATED LAWS AND REGULATIONS

The Audit Committee reviewed and updated the committee's charter annually. The Audit Committee also reviewed the Company's overall business conduct to ensure full compliance with the SEC Acts, rules and regulations of the SET or related laws and regulations governing the Company's business. In addition, the Committee reviewed performance and the compliance with the Code of Corporate Conducts of the Company to ensure that the Company operated its business with good corporate governance practices.

APPOINTMENT OF THE EXTERNAL AUDITOR FOR 2021

The Audit Committee considered the current external auditor for its independence and performance and the audit fee for the year 2021 and viewed that the external auditor from PricewaterhouseCoopers ABAS Limited (“PwC”) 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 2021 for submission to the Board of Directors for approval by the Annual General Meeting of the Shareholders.

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 2020.



Mr. Aswin Kongsiri
Chairman of Audit Committee
28 January 2021

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 2020 was held at The Company's Meeting Room 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 chairperson 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 Chairperson 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 Mandarin Oriental, Bangkok (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 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 or 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 2020.

Remuneration of Board Members and Management

Total Directors fees for eleven Directors	3,000,000	Baht
Total Remuneration for seven management members	29,491,730	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. In 2020, there were four regular meetings and one Board resolution on 1 April 2020 regarding change of venue for 2020 Annual General Meeting of Shareholders due to the outbreak of Coronavirus Disease 2019 (Covid-19). In light of the Covid-19 situation that caused the city lockdowns since the beginning of the year, international travel bans and discouragement of private and public gathering, the Company's foreign directors were allowed to attend the meeting via electronic means in accordance with the Royal Decree on Telephone Conferences through Electronics Means B.E. 2563 (2020).

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 2020, the attendance of Board of Directors' meeting for each Director can be summarized as follows:

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

Remark*

- Mr. Richard Daniel Baker has resigned effective 24 July 2020.
- Mr. Gregory Bruce Liddell has resigned effective 1 October 2020.
- Mr. Christoph Joseph Wilhelm Mares was appointed on 24 July 2020.
- Mr. Anthony John Tyler was appointed on 1 October 2020.

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 Chairperson 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 Financial Controller to act as its representative in meeting with investors, shareholders as well as analyst and related government sectors. Investors can contact the Financial Controller for more information at Tel. +662 659 0450 or email: ubonwadee@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.

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 recognised 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 2020, Mandarin Oriental, Bangkok demonstrated its accountability to the community through:

SOCIAL ACTIVITIES

We, as **'the Oriental Family'**, have given our hands to support the medical authorities during May to June, the Company have provided 1,000 **'Meals of Care'** per day to The Thai Red Cross Society to assist the care workers, doctors, nurses and health professionals at the King Chulalongkorn Memorial Hospital where the Covid-19 cases were treated. The 61,000 meals of care have been prepared and delivered in May and June 2020. Our support continued in August on the occasion of H.M. Queen Sirikit, The Queen Mother's Birthday / National Mother's Day, the Company provided 200 meal boxes to the King Chulalongkorn Memorial Hospital where arranged health check-up programme (complimentary) for general public.

COMMUNITY ACTIVITIES

As part of our Guiding Principle **'Acting with Responsibility'**, the Company supported its nearby communities on National Children's Day. Our colleagues joined force with the nearby ICONSIAM Shopping Centre to participate in the Clean up the River for **'World River Day 2020'** campaign where we cleaned up the Chao Phraya River and the surrounding neighbourhood. Through this initiative, the Company also raised strong awareness about the importance of reducing single- used plastics to all surrounding food vendors.

ADVANCING SUSTAINABILITY

Mandarin Oriental, Bangkok continuously strives to do more for the sustainability of our common future as well as embeds sustainability strategies into our business model in order to mitigate environmental risks. The Company keeps utilizing the model of the **"Reduce, Reuse, Recycle and Upcycle"** to support the reduction in waste and a circular economy. The 821 chemical plastic tanks were collected and recycled. Our paperless meeting initiative reduced paper usage by 795 reams compared to 2019. The 6,138 litres of recovered used oil were recycled to produce biodiesel. Moreover, our energy consumption was significantly decreased in 2020, with a reduction of 35.66% electricity usage and 29.68% of water consumption.

The Company remain focused on eliminating all single use plastic throughout the entire hotel operation to ensure we stay on track with the Group's goals to decrease plastic consumption by March 2021 and provide guests with innovative single-use plastic alternatives.

Since the Company has started to identify and eliminate the remaining single-use plastic items, the 194,000 of plastic bags, 91,000 of plastic cutlery, 170,000 plastic bathroom amenities and 639,000 plastic bakery takeaway packaging were removed. In November 2020, Mandarin Oriental, Bangkok was awarded with the final **'Plastic-Free Badge'** of The Oceanic Standard, for its efforts to fully eliminate single-use plastics and its broad sustainability goals.

Even though the Company has been affected by Covid-19 in 2020, we will remain committed to our goals and to continuing our eradication of the single-use plastics process in 2021.

STATISTICAL INFORMATION

	2020 Million Baht	2019 Million Baht	2018 Million Baht	2017 Million Baht	2016 Million Baht
Balance Sheet					
Fixed assets	6,426.1	2,624.8	1,426.4	1,458.2	1,631.1
Net current liabilities	938.8	552.1	160.9	222.6	379.1
Non-current liabilities	3,434.1	2,088.7	654.2	655.0	703.7
Shareholder's funds	2,123.6	263.8	787.8	764.1	737.1
Profit / (Loss)					
Profit / (Loss) before financing charges and taxation	(495.4)	(444.6)	326.1	283.5	203.5
Profit / (Loss) before taxation	(572.3)	(469.4)	317.3	268.5	187.3
Profit / (Loss) attributable to shareholders	(480.1)	(370.9)	259.7	215.9	152.7
Dividends paid	-	135.9	241.7	181.2	196.3
Capital Stock					
Earnings / (Loss) per share (Baht)	(31.8)	(24.6)	17.2	14.3	10.1
Dividend per share (Baht)	-	9.0	16.0	12.0	13.0
Total asset value per share (Baht)	446.6	212.0	123.8	125.2	141.4
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.	Cooking school	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

THE OPERATING PERFORMANCE AND FINANCIAL STATUS

OVERVIEW

Mandarin Oriental, Bangkok reported a loss of Baht 480.1 million compared to a loss of Baht 370.9 million last year. A decrease in hotel performance was mainly from the impact of Coronavirus Disease 2019 (Covid-19) pandemic and various prevention and protection measures against Covid-19.

REVENUE

The Company recorded the hotel income of Baht 913.7 million in 2020, a decrease of Baht 387.5 million or 29.8% when compared to last year, primarily due to impact from Coronavirus Disease 2019 (Covid-19) pandemic resulted in travel restrictions worldwide especially by commercial plane since the end of March up to now. These control measures have caused no international travelers, therefore rooms revenue during the Covid-19 pandemic only derived from local business. Consequently, rooms revenue decreased by Baht 165.4 million or 42.9%. Food and beverage revenue decreased by Baht 155.9 million or 24.4% primarily due to closure of facilities in the hotel and limit number of guests for function with restrictions and measurement for preventing the spread of Covid-19. In addition, Spa and fitness center were closed for three months to comply with health and safety measures for preventing transmission of the disease. The hotel cannot operate as planned resulted to decrease total income in 2020.

OPERATING EXPENSES

For expenditures, the Company carefully controlled costs and expenses without effecting guest experiences. In 2020, the Company recorded cost of sales and services at Baht 975.9 million, decreased by Baht 89.7 million or 8.4% which was in line with the decrease of hotel income. The cost of sales and services consisted of depreciation which was increased by Baht 34.8 million from capitalise cost of building and equipment after completion of the River Wing renovation. Operating expenses decreased by Baht 318.5 million or 44.4% compared to 2019 due to decrease of the management fees, credit and collection fees, sales promotion, international travelling and Public Relations expenses amount of Baht 67.6 million, which was resulted from the decrease of hotel income and expenditure control. Utility costs decreased by Baht 6.2 million. Land and building tax decreased by Baht 7.3 million from 90% tax reduction on land and building announced by the Government in 2020.

An additional finance cost of Baht 52.0 million or 209.0% was increased when compared to last year. Interest payment for short-term and long-term loans that the Company had drawn down for hotel operations and the River Wing renovation project increased by Baht 26.7 million. Interest on leases of Baht 25.3 million increased from adoption of TFRS 16 “Leases” at the beginning of this year.

NET PROFIT/LOSS

The Company's performance closed with a net loss of Baht 480.1 million at year-end 2020, increased loss by Baht 109.2 million or 29.4% compared to year-end 2019's net loss of Baht 370.9 million.

In June 2020, the Company have changed the accounting policy in respect of land from measure at cost to fair value, which gains were recognized in revaluation of land in other comprehensive income and presented under shareholders' equity in the statement of financial position. From the revaluation of land, total assets and other comprehensive income increased by Baht 3,011.4 million and deferred tax liabilities arising from gains on revaluation of land increased by Baht 602.3 million, which affected to the Company's total comprehensive income and total equity increased by Baht 2,409.1 million.

ASSETS

As at 31 December 2020, the Company's consolidated assets presented at Baht 6,742.1 million, an increase of Baht 3,540.8 million or 110.6% from Baht 3,201.3 million at the end of 2019 mainly due to the following factors:

1. Property, plant and equipment of Baht 5,873.3 million (2019: Baht 2,609.1 million) increased by Baht 3,264.2 million due to land revaluation and addition investment in the River Wing renovation offset with depreciation for the year.
2. Right-of-use assets of Baht 541.8 million due to the adoption of TFRS 16 "Leases" at the beginning of this year.

LIABILITIES

The Company's consolidated liabilities as at 31 December 2020 amounted to Baht 4,618.4 million, an increase of Baht 1,680.9 million or 57.2% from Baht 2,937.5 million in 2019. These liabilities included outstanding bank loans of Baht 2,885.0 million (2019: Baht 2,150.0 million) due to the River Wing Renovation costs and hotel operating costs incurred during the renovation. Lease liability increased of Baht 778.4 million due to the adoption of TFRS 16 "Leases" at the beginning of this year.

SHAREHOLDERS' EQUITY

Shareholders' equity as at 31 December 2020 was Baht 2,123.6 million, an increase of Baht 1,859.9 million or 705.2% from Baht 263.8 million in 2019. This comprised of the following:

1. Authorized share capital of Baht 151.0 million (2019: Baht 151.0 million)
2. Legal reserve of Baht 16.0 million (2019: Baht 16.0 million)
3. Deficits of Baht 437.1 million (2019: Retained earnings of Baht 106.5 million)
4. Other components of equity of Baht 2,393.8 million (2019: Baht -9.7 million) increased of Baht 2,403.5 million due to gains on revaluation of land of Baht 2,409.1 million in June 2020 and loss on cash flow hedge of Baht 5.6 million.

The book value per share increased from Baht 17.5 per share in 2019 to Baht 140.7 per share in 2020 mainly due to gains on revaluation of land.

CASH FLOWS

The cash flow statement shows cash flows from operating, investing and financing activities during the year. The ending balance of cash and cash equivalent as at 31 December 2020 was Baht 108.4 million, a decrease of Baht 2.4 million from last year's balance of Baht 110.8 million, as a result of the following:

1. The net cash outflow from operating activities of Baht 207.1 million which was an increase of Baht 1.5 million from Baht 205.6 million in 2019.
2. The net cash used in investing activities was Baht 529.0 million, a decrease of Baht 863.1 million from Baht 1,392.1 million in 2019, mainly due to decrease in purchase of property, plant and equipment relating to the River Wing renovation and receiving of compensations from termination of contract from contractor.
3. The net cash from financing activities was Baht 733.8 million, a decrease of Baht 860.3 million from Baht 1,594.1 million in 2019, mainly due to the completion of the River Wing renovation project during the year resulted in the net proceeds from loans decreased by totaling Baht 995.0 million while the dividend payment decreased by Baht 135.9 million compared to last year.

COMMITMENTS

As at 31 December 2020, 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. In 2018, the Company extended the agreements for another two further periods of ten-year each.
2. The Company have outstanding capital expenditure and construction commitments of approximately Baht 140.5 million (2019: Baht 426.9 million).

PERFORMANCE OF BUSINESS FUNCTIONS

REVENUE STRUCTURE

Nature of business	Managed by	% Equity Interest	2018		2019		2020	
			Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
Hotel, Restaurants and Spa	OHTL Public Company Limited							
	- Room revenue		897.1		385.4		220.1	
	- Food & Beverage revenue		888.5		639.5		483.6	
	- Spa revenue		28.1		36.5		30.3	
	- Others revenue		249.2		211.1		141.6	
	Total revenue		2,062.9	93.4	1,272.5	97.1	875.6	95.8
Restaurant, Cooking school and Land and building leases	Baan Rim Naam Chao Phraya Company Limited	100.0						
	- Food & Beverage revenue		71.4		-		-	
	- Spa revenue		39.8		-		-	
	- Land and building leases		-		36.0		37.2	
	- Others revenue		34.9		2.4		1.3	
	Total revenue	146.1	6.6	38.4	2.9	38.5	4.2	
Investment holding	Bagan Hotel Holding (Thailand) Company Limited	100.0	-	-	-	-	-	-
	Grand total		2,209.0	100.0	1,310.9	100.0	914.1	100.0

SHARE OF PROFIT (LOSS) ON INVESTMENT

Nature of business	Managed by	% Equity Interest	2018		2019		2020	
			Profit (Loss) (Million Baht)	%	Profit (Loss) (Million Baht)	%	Profit (Loss) (Million Baht)	%
Airline catering	Siam Flight Services Limited	26.0	27.5	100.0	27.8	100.0	(34.5)	100.0
	Grand total		27.5	100.0	27.8	100.0	(34.5)	100.0

THE INDUSTRY AND COMPETITION

The oversupply of hotel rooms in Bangkok is expected to continue impacting business in 2021 and beyond – even more so as long as the number of international visitors remains low as a result of Covid-19. In addition, new hotel openings by the River of Kings add to the rooms inventory as well as to the number of restaurants and banqueting venues guests can choose from. The Company continues to maintain the hotel and its operation at the highest standard to ensure consistent recognition as one of the best hotels in the world and to maintain Mandarin Oriental, Bangkok's 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 factors such as political uncertainty and global security risks, the possibility of a natural disaster, terrorism and of course the ongoing Covid-19 pandemic that continues to severely impact our industry.

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 all guests and colleagues.

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	Chairperson of Board of Directors
2. Mr. Peter James Holland Riley	Director
3. Mr. Craig Alan Beattie	Director
4. Mr. Yuthachai Charanachitta	Director
5. Mr. Bertram Edward Johnston Weatherall	Director
6. Mr. Richard Daniel Baker (26/04/18 - 23/07/20) / Mr. Christoph Joseph Wilhelm Mares (24/07/20 - Present)	Director
7. Mr. Gregory Bruce Liddell (27/04/17 - 30/09/20) / Mr. Anthony John Tyler (01/10/20 - Present)	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 (27/04/17 - 30/09/20) / Mr. Anthony John Tyler (01/10/20 - Present) 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. Bertram Edward Johnston Weatherall, Mr. Richard Daniel Baker (26/04/18 - 23/07/20) / Mr. Christoph Joseph Wilhelm Mares (24/07/20 - Present) and Mr. Gregory Bruce Liddell (27/04/17 - 30/09/20) / Mr. Anthony John Tyler (01/10/20 - Present), 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.

USE 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

List of the first 10 major shareholders as at 20 March 2020, the Record Date for 2020 Annual General Meeting of Shareholders

GROUP OF SHAREHOLDERS	Number of Share	%
Group of Mandarin Oriental Holdings B.V.	7,183,500	47.58

LIST OF MAJOR SHAREHOLDERS	Number of Share	%
1. Mandarin Oriental Holdings B.V.	6,399,500	42.39
2. Mrs. Nijaporn Charanachitta	3,506,098	23.22
3. Chaophaya Development Corporation Limited	1,600,000	10.60
4. AIA Company Limited-EQDP-D Fund 1	454,723	3.01
5. Mrs. Pilaichit Reungpittaya	285,019	1.89
6. Thai NVDR Co., Ltd.	276,200	1.83
7. Mr. Premchai Karnasuta	271,520	1.80
8. Mr. Yuthachai Charanachitta	235,250	1.56
9. DBS BANK LTD	208,000	1.38
10. Ms. Chamaimas Karnasuta	127,954	0.85

COMPANY INVESTMENT

Company's name	Head office address	Nature of business	Paid-up Capital (%)	Equity Interest (%)	Capital (Million Baht)	Value of investment (Million Baht)	Major shareholder and Other shareholder
Baan Rim Naam Chao Phraya Company Limited	Bangkok	Cooking school	100.0	100.0	0.1	(197.6)	
Bagan Hotel Holding (Thailand) Company Limited	Bangkok	Investment Holding	100.0	100.0	4.0	(55.7)	
Siam Flight Services Limited	Bangkok	Airline Catering	100.0	26.0	9.5	44.5	LSG Catering (Thailand) Limited
Bagan Hotel Holding Company (BVI) Limited	Hong Kong	Investment in a Myanmar hotel project	100.0	50.0	40.6	-	

