



ANNUAL REPORT 2020

The Erawan Group Public Company Limited

Vision

To be the leading hotel developer and investor in Thailand and ASEAN.

Mission

To continue growing quality hotel portfolio in Thailand and ASEAN which optimize values to shareholders as well as stakeholders.

CORE VALUE “ERAWAN’s SPICE”

System

Systematic management approach to enhance efficiency as well as to lessen reliance on individuals

People

Competent workforce with dedication to further learning and continual improvement

Information

Accurate, adequate, and up-to-date database for the purpose of management and decision-making

Culture

Sound corporate culture to support sustainable growth

Environment

Being a good and responsible corporate citizen by taking care of all stakeholders including community and environment



Renaissance Koh Samui Resort and Spa



Corporate Culture of Sustainability

C	Commit to Success
L	Learning & Improvement
I	Integrity
EN	Enjoy to Serve
T	Team Spirit

Our Business Strategy

- **Hotel Growth Strategy:**

Continue expanding a well-diversified hotel portfolio in high growth segments and destinations

- **Return Enhancing Strategy:**

Providing optimal return to our shareholders through “Asset Improvement”, “Asset Monetization” and “Capital Structure Optimization”

- **Sustainable Platform Strategy:**

Ensure stability and sustainable growth of organization through development of systems, human capitals, core competencies, information database for decision making and core corporate culture

Contents

2020 In Review

002	Vision, Mission and Core value
003	Corporate Culture of Sustainability and Our Business Strategy
006	Financial Highlights
008	Hotel and Resort Portfolio in 2020
010	Message from the Chairman of the Board of Directors
012	Message from the President
014	Report of the Audit Committee to Shareholder

About Erawan

017	Corporate Profile
019	Our Shareholders and Management Structure
035	Shareholding of the Board of Directors and Management
036	Remuneration of the Board of Directors and Management

Business Overview

039	Business Structure
040	Operation Structure
042	Properties in Operation
047	Properties under Development
048	Tourism Industry Overview
051	Risk Factors

ESG Report (Environmental, Social and Governance Report)

055	CG Awards
057	Corporate Governance Policy
066	Anti-Corruption Policy
068	Anti-Money Laundering and Countering the Financing of Terrorism Policy
069	Sustainable Development Policy
070	Sustainability Development
080	Internal Control and Protection of Internal Information
081	Connected Transactions

Financial Information and Corporate Information

084	Report of the Board's Responsibility in the Financial Statements
085	Management Discussion and Analysis
089	Independent Auditor's Report
092	Audit Fee
093	Financial Statement
181	Corporate Information

2020 in Review



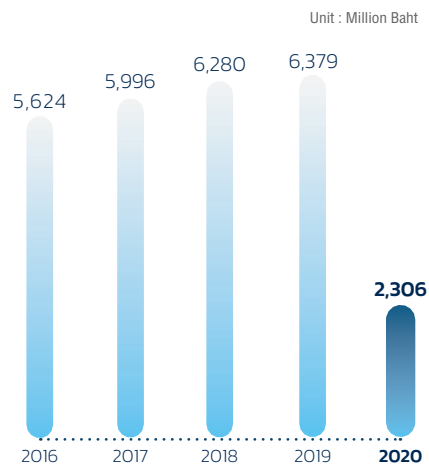
Financial Highlights

The Erawan Group Public Company Limited

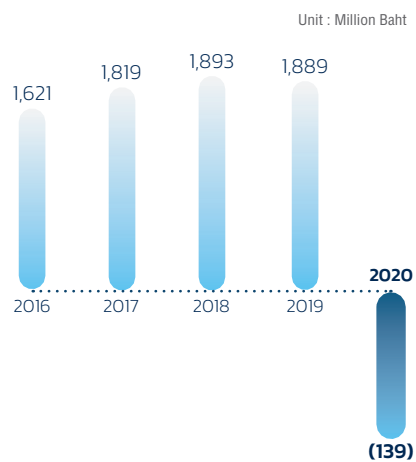
Unit: Thousand Baht

Description		2018	2019	2020
Operating results				
Operating Income		6,279,881	6,379,074	2,306,010
Total Revenues		6,327,386	6,439,073	2,348,462
Gross Profit		3,445,012	3,479,257	841,402
Earning (Loss) before interest, tax, depreciation and loss on impairment		1,893,480	1,888,505	(139,467)
Net Profit (Loss)		536,305	445,568	(1,715,256)
Financial Position				
Total Assets		16,948,692	17,834,262	21,214,716
Total Liabilities		11,240,266	11,892,968	17,286,157
Total Shareholders' Equity		5,708,426	5,941,294	3,928,559
Equity Attributable to Company's Shareholders		5,543,115	5,762,155	3,812,745
Paid-Up Share Capital		2,507,716	2,517,533	2,517,533
Number of Paid-Up Shares	(Thousand shares)	2,507,716	2,517,533	2,517,533
Par Value Per Share	(Baht)	1	1	1
Earnings Per Share	(Baht)	0.21	0.18	(0.68)
Dividend Per Share	(Baht)	0.09	0.07	-
Book Value Per Share	(Baht)	2.21	2.29	1.51
Significant Financial Ratio				
Current Ratio	(times)	0.44	0.43	0.70
Quick Ratio	(times)	0.35	0.34	0.60
Liquidity Ratio (Cash Flow Basis)	(times)	0.52	0.52	(0.17)
Gross Profit Ratio		54.86%	54.54%	36.49%
Net Profit (Loss) Margin		8.48%	6.92%	(73.04%)
Return on Total Assets		3.25%	2.56%	(8.79%)
Return on Equity		9.95%	7.88%	(35.83%)
Debt to Equity Ratio	(times)	1.97	2.00	4.40
Interest Bearing Debts (Excluding Lease Liabilities) to Equity Ratio	(times)	1.68	1.71	3.23
Interest Coverage Ratio	(times)	5.00	4.59	n.a.

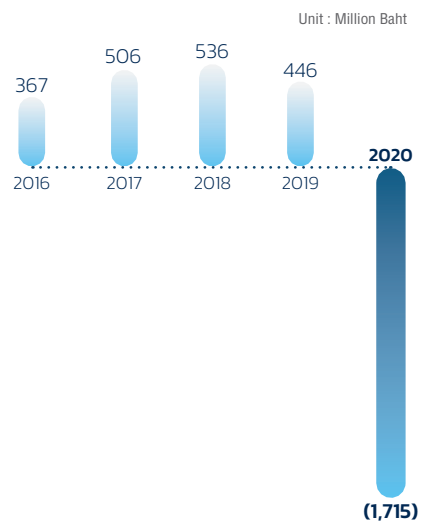
Operating Income



Earning (Loss) before interest, tax, depreciation and loss on impairment

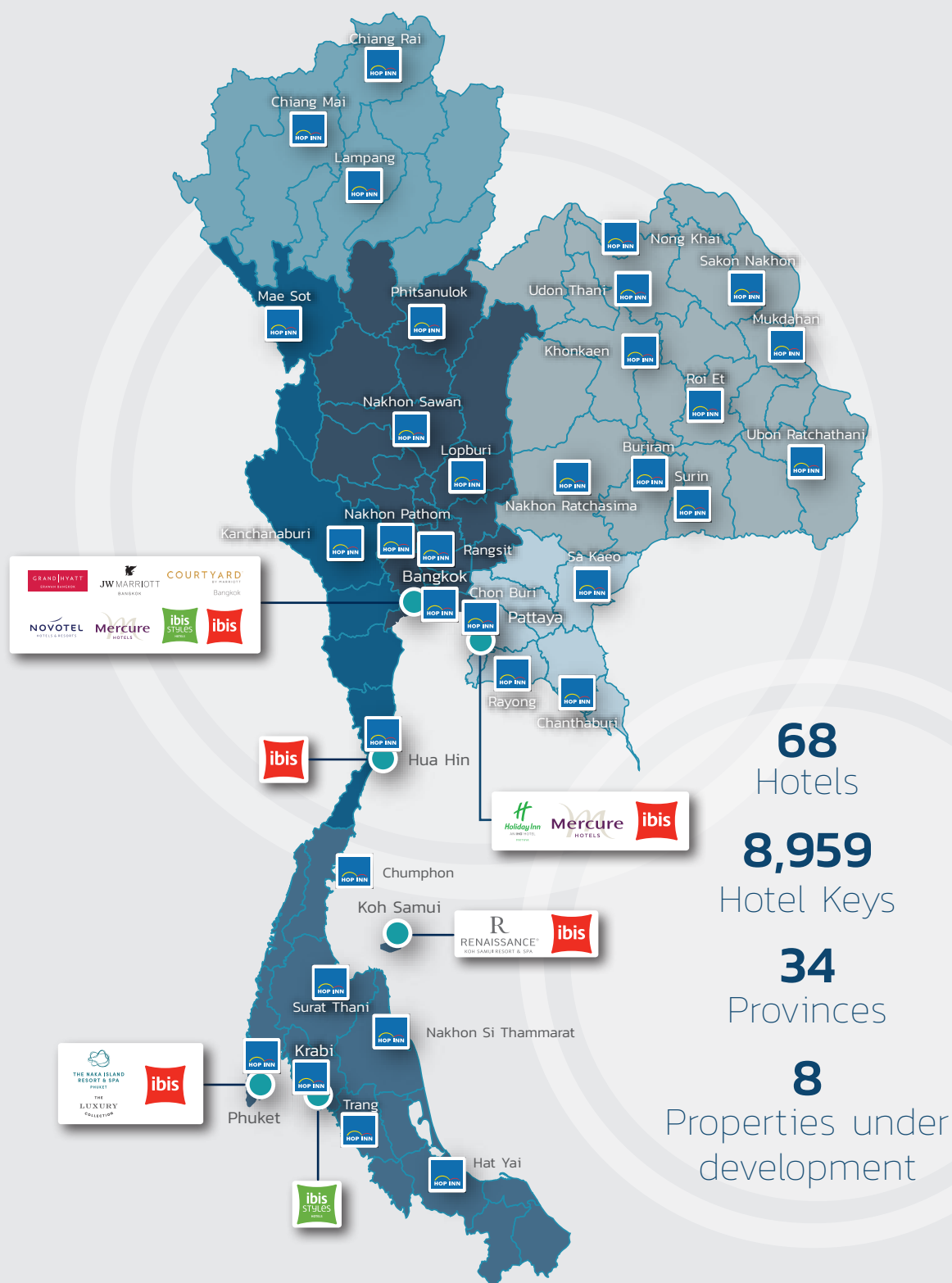


Net Profit (Loss)



Hotel and Resort Portfolio in 2020

Hotel business in Thailand



Hotel and Resort Portfolio in 2020

Hotel business in Philippines



5

Hotels

843

Hotel Keys

5

Cities

1

Metropolitan

6

Properties under
development

Message from the Chairman of the Board of Directors

2020 was the year that the global tourism industry had to confront with the biggest ever challenge as a result of the impact of COVID-19 pandemic since the beginning of the year. Travelling and tourism suddenly stopped around the world due to travel restriction measures implemented by several countries. As a result, the number of global travelers tumbled by 74% from the year 2019. Thailand's tourism industry was also severely affected, the number of international tourists was down to a mere 6.7 million, which was the historically low figure since the Asian Financial Crisis in 1997. Meanwhile, domestic travel was also weakened by travel restriction measures. It was the most challenging year ever that the Erawan Group Plc, which are investor, developer and operator of hotel business in Thailand and the Philippines, has confronted.

Amidst the COVID-19 outbreak, which posed tremendous challenges and directly affected our business in a way that we had never experienced before, the Board of Directors underlined the importance of close collaboration and communication with the management. Since early 2020 when the COVID-19 started to emerge, the Board, together with senior executives, came up with a business contingency plan to timely respond to the situation. This included measures to mitigate and take care of all stakeholders. In addition, a plan was made to determine business strategies and long-term business direction, which continued to focus on sustainable growth, while being resilient enough to adapt to changes amidst the world's disruptive circumstances. This included especially understanding customer's behaviors to come up with various business plans and innovations to respond as much as possible to their needs. The Erawan Group Plc remains confident in the long-term growth potential of both Thailand's and the world's tourism industry and the ability to transform a crisis into an opportunity.

Although there remains a number of external factors that may affect our business under current circumstances, however, what both the Board and the management have underlined and committed is how to grow our organization in a sustainable manner by taking into consideration business responsibility, impacts from various aspects, corporate governance and social and environmental concerns in order to strengthen our existence in all dimensions. Under the COVID-19 pandemic, we specifically underline the importance of taking care of all employees, who are our main asset. This is reflected through our health, hygiene and workplace safety standards, capacity-building attempts to ensure our people are ready for adaptation and safeguarding and maintaining everyone's morale to go through this crisis together. The company also takes care of external stakeholders during this challenging time to strengthen our internal and external wellbeing.

As we relentlessly continued to develop the organization and enhance our competitiveness while focusing on sustainability, in 2020, the Erawan Group Plc was recognized as Thailand's 2020 Top Corporate Brand in the tourism and recreation sector by Chulalongkorn University. The award was given to corporations with the highest brand value. This was the second consecutive year that we were bestowed this prestigious award. In addition, we were certified as having a good anti-corruption process and have been accredited as a member of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) since June 30, 2020. Our corporate governance compliance was rated "Very Good" for the seventh consecutive year by the CGR report of Thai Listed Companies project managed by the Thai IOD. The Erawan Group Plc was declared one of the listed companies with outstanding environmental, social and governance performances known as the "ESG100 Companies" by Thaipat Institute and the Office of Securities and Exchange Commission. These awards and accolades reflect our attentiveness to every business dimension to ensure that the business grows hand-in-hand with stakeholders.

On behalf of the Board of Directors, we wish to thank the management and our employees in Thailand and overseas for collaboration, dedication and devotion. We wish to express our gratitude to all stakeholders who have supported our endeavors and helped us to wade through the crisis. We affirm to remain

committed to conduct our business based on strategic plan as set forth and we are ready to handle changes and uncertainty and will further grow under our business philosophy that “Success with Integrity” while taking care of all stakeholders in a sustainable manner.



Mr. Chanin Vongkusolkrit
Chairman of the Board of Directors



Grand Hyatt Erawan Hotel

Message from the President

2020 was the challenging year for the Erawan Group Plc that we had never experienced before due to the COVID-19 pandemic crisis, which caused severe economic impacts around the world. More importantly, it affected both international and domestic tourism industry due to the border closure and travel bans from entering Thailand. In addition, the lock-down measures in Thailand had direct impact on traveling between provinces, business sector and the overall economy of the country. This sent a tremendous impact to the Thai tourism industry and our business.

Our actions against the COVID-19 pandemic

At the start of the pandemic in Thailand and the Philippines in February 2020, we set up a crisis management team to handle the situation. The team consisted of senior executives from various departments to monitor the situation and make decisions in an emergency. In late March 2020 when the entire world witnessed the raging impact of the outbreak and Thailand have banned foreign travelers into the country. The Erawan Group Plc at the time decided to gradually close our hotels both in Thailand and the Philippines as part of our business risk management during the crisis but continued closely monitoring the situation. As the circumstance was subsequently improving together with the government's relaxation measures, we decided to partially open our hotels in May 2020 and fully went into full operation for all hotels in Thailand and the Philippines in August 2020.

During the COVID-19 crisis, what we prioritized the most was effective cost management, managing cash flow and preserving liquidity to ensure our liquidity for business operation during these unprecedented times. In 2020, at a time that the business had to be managed upon these challenging circumstances, our revenues tumbled but with the strict cost-containment measures, the company was able to reduce its operating expenses by 45% YoY.

This was carried out through the reduction of our board members' remunerations, workforce restructuring, salary reduction of the management and employees at both the headquarters and hotels and cashflow control and liquidity management, all of which enabled us to go through the hardship in 2020. In addition, we also paid attention to care given to all stakeholders. For example, we took care of health and wellbeing of employees, facilitating them to be able to work from home, creating various communication channels so employees were fully informed, allowing our customers to flexibly cancel or change their bookings and other hotel services and, finally, communicating and reaching out to every stakeholder.

Operation under our sustainable growth strategy

Although we did experience hardship during the COVID-19 pandemic as described above, we still commit to develop our resiliency and ability to adapt to changes. This is especially in regard to our human resource development. During the past year, we encouraged staff at the headquarters and hotel operation departments to attend training from various skill-enhancing courses to broaden their efficiency. A Taskforce Team consisting of staff from several departments was set up to collaborate in various projects, enhance work efficiency, allow new creativity to flourish and encourage staff to change and never stop innovating to secure new business opportunities for the company. In addition, strengthening our competitiveness to every hotel within The Erawan Group network is our long-term priority. This includes, among a few, implementing competitive strategies and joint cost management among hotels within the group to enable the business to sustainably grow in the long run.

Although 2020 was a year of tremendous business challenge, it's also a year that we had a chance to learn and analyze our business that enhanced our self-understanding. This will prepare us to expand potential in a stronger way. On this occasion, we wish to thank the Board of Directors, the management and all staff who have battled against all odds amidst the crisis together. We appreciate the trust that all stakeholders have in us. We remain confident in

the long-term growth potential of Thailand and Asian both in terms of international and domestic travel for work and leisure. We believe that commitment in enhancing our competitive edge, enthusiasm to learn and adapt to new circumstances and strong intention to conduct business ethically will induce us to strongly grow, generate healthy returns to investors and contribute the overall benefit to all stakeholders.



Mr. Petch Krainukul
President



Novotel Bangkok Sukhumvit 4

Report of the Audit Committee to Shareholder

To Shareholders,

The Audit Committee of The Erawan Group Public Company Limited (The Erawan Group) has been appointed by the Board of Directors and consists of 3 independent directors who are experts and have experienced on finance and management. The Audit Committee has performed duties independently within the scope of responsibility to support the Board of Directors in accordance with the Audit Committee Charter and the announcement made by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). In 2020, the Audit Committee held four meetings. Executives, Head of Internal Audit and auditors have attended the meetings when there were the relevant agendas that need their input. The Audit Committee's performance can be summarized as follows:

1. **Financial Statement Review:** The Audit Committee reviewed the quarterly financial statements and annual financial statements of the year 2020 of the Erawan Group and found that they were completely correct with the sufficient disclosure of information, and was certified by the auditors without conditions. The meetings with the auditors without management presence were held to independently discuss on the auditors' independence, opinions, observations and improvement guidelines that would be of benefit to the Company.
2. **Internal Control System:** The Audit Committee reviewed the internal control system of The Erawan Group and its subsidiaries with respect to accounting and finance, safeguarding of assets, operations, evaluation as well as legal and regulatory compliance. Check and balance mechanisms were implemented and monitoring was performed by Internal Audit Department whose independent and efficient to protect the interest of shareholders and relevant parties. The Company has transparent whistleblowing and complaint-handling procedures in place.
3. **Business Law Compliance:** The Audit Committee determined that the Company duly complied with laws and regulations as required by the SET, The SEC and other governing bodies relating to the Company's business.
4. **Connected Transactions of Transactions with Potential Conflict of Interest:** The Audit Committee reviewed the connected transactions and found that they were genuine transactions carried out as a normal course of business, and with reasonable cause. The Company has operated its business on the good corporate governance principle without any conflict of interest and has strictly followed SEC and SET's rules and regulations by taking into account the interest of all Stakeholders.
5. **Risk Management:** The Audit Committee reviewed the annual plan and monitored the progress of the risk management on a quarterly basis. The Audit Committee was confident that the Company has appropriate and efficient risk management policy and procedures. Risk assessment criteria of investment projects were standardized in response to changing business environment, with the objective of discovering new business opportunities and creating value for the Company.
6. **Internal Audit:** The Audit Committee advised and approved the annual auditing plan, acknowledged and presented the internal audit results to the Board of Directors, reviewed an annual budget, supervised and evaluated the Head of Internal Audit Department's performance.
7. **Anti-Corruption:** The Erawan Group has been the member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and was certified the status on June 30, 2020 with a certified period of 3 years in response to Thailand's policy to support transparency and sustainability in business practices. In 2014, the Erawan Group also received "Certified", the level 4 of certification, on Anti-Corruption Progress Indicator under the Sustainable Development Assessment of the Listed Company Program conducted by the Securities and Exchange Commission (SEC). With the endorsement of the two regulators, we believed that the Company should strive for clearer action and provide the flawless operation process.

The Audit Committee expressed its opinion, stating that the Erawan Group was actively committed to its good corporate governance policy and its risk management is in line with the Company's policy which resulted in the existing of the effective and sufficient internal control system that is capable of corresponding with both internal and external changes. Connected transactions that may lead to conflict of interest were deemed to be genuine transactions carried out based on a normal course of business for the Company's maximum benefit. All related laws and regulations were fully complied. The financial statements for the accounting period ending on 31st December 2020 were duly prepared, while adequate and reliable information was properly disclosed.

Appointment of auditors in 2021:

The Audit Committee considered the selection, appointment and annual fee of the external auditor for 2021 based on their knowledge, capability, experience, independence, performance in the past year and the reasonability of the audit fee. The committee proposed its resolution to the Board of Directors for presenting further in the shareholders' meeting for approval on the appointment of the followings:

1. Ms. Chanarat Chanwa, Certified Public Accountant (Thailand) No. 9052 and/or
2. Ms. Vilaivan Pholprasert, Certified Public Accountant (Thailand) No. 8420 and/or
3. Ms. Vipavan Pattavanvivek, Certified Public Accountant (Thailand) No. 4795

of KPMG Phoomchai Audit Ltd. as The Erawan Group and its subsidiaries' auditor in 2021.

Dr. Kulpatra Sirodom

Chairman of the Audit Committee
19 February 2021



ibis Styles Bangkok Sukhumvit 4

About Erawan

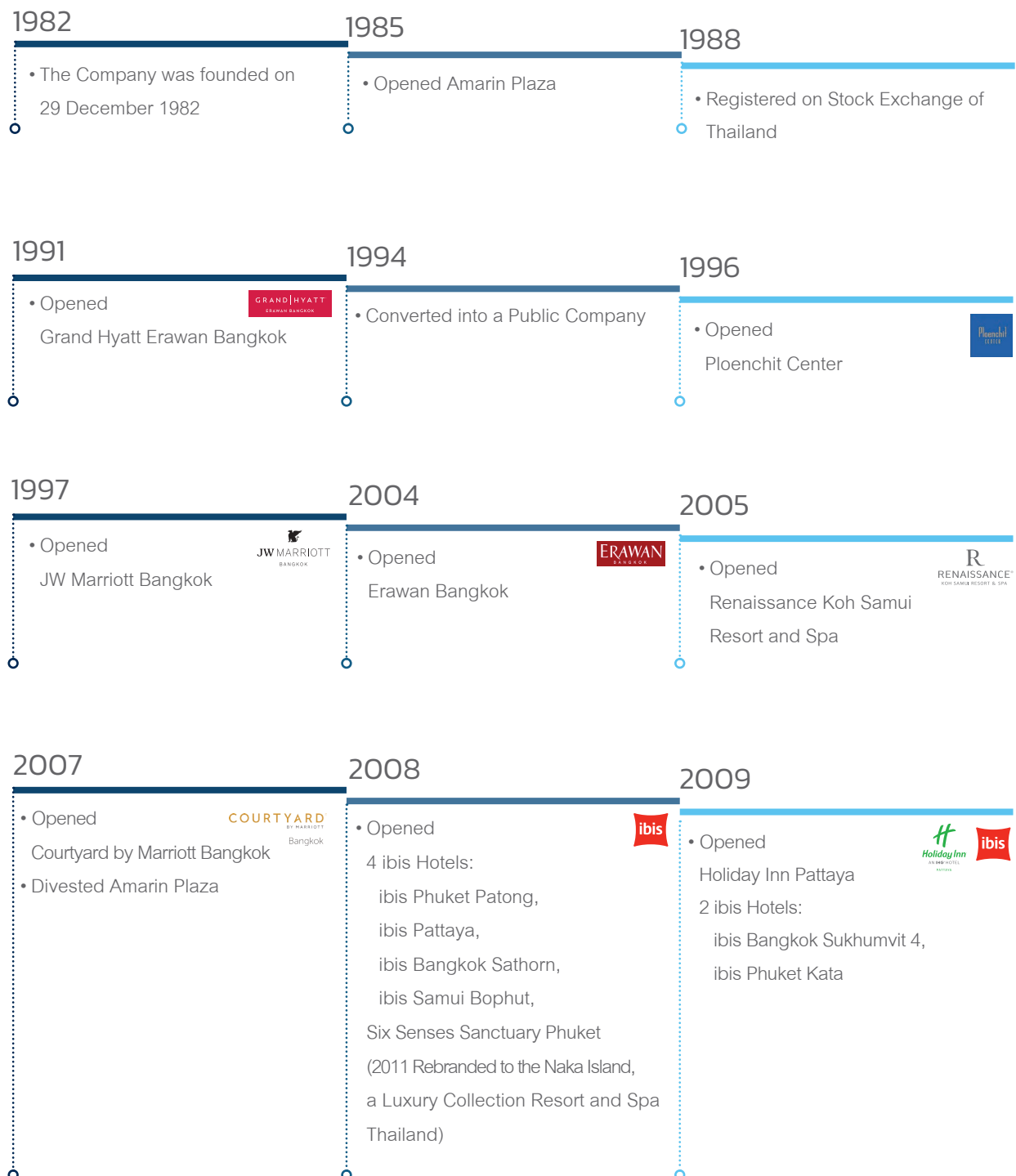


Holiday Inn Pattaya

Corporate Profile

The Erawan Group Public Company Limited:

Continue to develop various Real Estates and Hotel Business over the past 38 years



2010

- Opened
ibis Bangkok Riverside



2011

- Rebranded
The Naka Island, a Luxury
Collection Resort and Spa, Phuket
- Divested Ploenchit Center;
Erawan's Subsidiary,
Erawan Commercial Management Co.,Ltd,
continues to manage the building



2012

- Opened
Mercure Bangkok Siam
- 2 ibis Hotels:
ibis Hua Hin,
ibis Bangkok Siam



2013

- Divested
ibis Pattaya and
ibis Phuket Patong to Erawan Hotel
Growth Property Fund; Erawan's
Subsidiary, Erawan Growth
Management Co., Ltd.
continues to manage the properties



2014

- Opened
Holiday Inn Pattaya: Executive Tower,
Mercure Pattaya Ocean Resort
ibis Styles Krabi Ao Nang
10 HOP INN Hotels across Thailand



2015

- Opened
5 HOP INN Hotels across Thailand



2016

- Opened
7 HOP INN Hotels across Thailand
HOP INN Ermita Manila, Philippines



2017

- Opened
deluxe room category at
The Naka Island, a Luxury Collection
Resort and Spa, Phuket
10 HOP INN Hotels across Thailand
HOP INN Makati Avenue Manila,
Philippines



2018

- Opened
Novotel Bangkok Sukhumvit 4
ibis Styles Bangkok Sukhumvit 4
4 HOP INN Hotels across Thailand
3 HOP INN Hotels in Philippines:
HOP INN Aseana City Manila,
HOP INN Alabang Manila,
HOP INN Tomas Morato
Quezon City Manila



2019

- Opened
Mercure Bangkok Sukhumvit 24
ibis Bangkok Sukhumvit 24
7 HOP INN Hotels across Thailand



2020

- Opened
3 HOP INN Hotels across Thailand



Our Shareholders and Management Structure

Shareholders:

As at December 31, 2020, the company's paid up capital is Baht 2,517,533,185 divided into 2,517,533,185 ordinary shares at par value 1 Baht per share. Top ten shareholders holding the highest number of shares are as follows:

Shareholder's name	Number of shares	% of total shares
1. Mr. Sukakarn Wattanavekin	346,779,878	13.77%
2. City Holding Co.,Ltd.	185,369,100	7.36%
3. Mrs. Vansamorn Wannamethee	149,698,004	5.95%
4. Mid-Siam Capital Co.,Ltd.	144,488,645	5.74%
5. Mr. Sirisak Sonsophon	79,700,000	3.17%
6. PAN ASIA ASSETS LIMITED	73,000,000	2.90%
7. Mr. Supol Wattanavekin	66,235,502	2.63%
8. Thai NVDR Co.,Ltd.	60,941,141	2.42%
9. CREDIT SUISSE AG, SINGAPORE BRANCH	60,050,000	2.39%
10. K Flexible Equity RMF	44,730,000	1.78%
Total top ten shareholders holding	1,210,992,270	48.10%

Detail Groups of Major Shareholders are as follows:

Group of Shareholders	Number of shares	% of total shares
Vongkusolkrit Group	676,175,566	26.86%
Wattanavekin Group	720,857,385	28.63%
Thai Institution Investor and Foreign Institution Investor	553,811,386	22.00%
Company's executives and employees	14,121,594	0.56%
Minor Shareholders	552,567,254	21.95%
Total	2,517,533,185	100.00%

Investor will be able to see the updated shareholders list from the Company's website at www.theerawan.com before the Annual General Meeting of Shareholders.

Directors that represent the major shareholders are as follows:

Director's Names	Groups of Major Shareholders
1. Mr. Chanin Vongkusolkrit	Vongkusolkrit Group
2. Mrs. Arada Vongkusolkrit	
3. Mr. Gavin Vongkusolkrit	
4. Mr. Supol Wattanavekin	Wattanavekin Group
5. Mrs. Panida Thepkanjana	



Courtyard by Marriott Bangkok : Momo Cafe

Our Shareholders and Management

Management Structure

The Board of Directors is comprised of eleven members that were appointed in the Shareholders' Meeting. The Board has appointed four committees to oversee in some aspects as follows: 1) The Audit Committee (AC) , 2) The Strategic and Investment Committee (SIC), 3) The Nominating and Corporate Governance Committee (NCG) , 4) The Management Development and Compensation Committee (MDC). With the following positions and qualifications:

Mr. Chanin Vongkusolkrit

Age 68 years

Position

- Chairman of the Board of Director, appointed date 27 April 2018
- Director

Date of Directorship

November 4, 2004 (16-year working period)

Education

- Master of Business Administration (Finance),
St. Louis University, Missouri, USA

Director Training Program

1. LDP: Leadership Development Program 2012
2. DCP: Refresher Course 3/2006
3. DCP: Director Certification Program 20/2002

5 years' experience in other Listed Company

2016 - Present

- Chairman of the Board of Director
Banpu Plc.

2015 - Present

- Director
Banpu Power Plc.

1983 - Present

- Director
Banpu Plc.

2015 - 2016

- Senior Executive Officer
Banpu Plc.

1983 - 2015

- Chief Executive Officer
Banpu Plc.

Dr. Kulpatra Sirodom

Age 64 years

Position

- Independent Director
- Chairman of the Audit Committee, appointed date 27 April 2018

Date of Directorship

April 26, 2017 (4-year working period)

Education

- Ph.D. (Finance) University of Pittsburgh, USA
- Master of Business Administration (Finance)
West Virginia University, USA
- BBA (First Class Honors-Finance),
Thammasat University

Director Training Program

1. DCP: Director Certification Program - Train the Trainer 2000
2. Global Association of Risk Professionals (GARP)
3. Capital Market Academy No.2
4. ACP: Audit Committee Program 29/2009
5. Global Institute of Women Corporate Directors
(Invited as speaker at the annual event in New York, USA)

5 years' experience in other Listed Company

Apr. 2019 - Present

- Independent Director, Member of the Audit Committee and
Member of the Nomination and Compensation Committee
Tisco Financial Group Plc.

2019 - Present

- Independent Director, Chairman of the Audit Committee and
Member of the Corporate Governance Committee
Thai Group holding Plc.

2017 - Present

- Independent Director and Chairman of the Audit Committee
Thai President Foods Plc.

2013 - Present

- Chairman of the Corporate Governance Committee
Thai Wacoal Plc.

2012 - Present

- Chairman of the Audit Committee, Thai Wacoal Plc.

2010 - Present

- Independent Director, Thai Wacoal Plc.

2009 - Apr. 2018

- Independent Director, Member of the Audit Committee and
Member of the Corporate Social Responsibilities Committee
Siam Commercial Bank Plc.

2002 - Sep. 2017

- Independent Director and Member of the Audit Committee
President Bakery Plc.

Mr. Ekasith Jotikasthira

Age 50 years

Position

- Independent Director
- Member of the Audit Committee
- Member of the Nominating and Corporate Governance Committee

Date of Directorship

April 29, 2009 (11-year working period)

Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Director Training Program

1. AACP: Advanced Audit Committee Program 28/2018
2. DAP: Director Accreditation Program 79/2009

5 years' experience in other Listed Company

No

Assoc. Prof. Dr. Somprawin Manprasert

Age 45 years

Position

- Independent Director
- Member of the Audit Committee

Date of Directorship

28 April 2018 (3-year working period)

Education

- Ph.D. Economics, University of Maryland at College Park, United States
- M. A. Economics, University of Maryland at College Park, United States
- M. Sc. Economics and Finance, University of Warwick, United Kingdom
- Bachelor of Economics, Chulalongkorn University

Director Training Program

- DAP: Director Accreditation Program 151/2018

5 years' experience in other Listed Company

Jul. 2017 - Present

- Executive Vice President, Head of Research Division Bank of Ayudhaya Plc.

2016 - 2017

- Advisor and Chief Economist, Research Division Bank of Ayudhaya Plc.

Mr. Banyong Pongpanich

Age 66 years

Position

- Independent Director
- Member of the Management Development and Compensation Committee

Date of Directorship

November 16, 2004 (16-year working period)

Education

- Honorary Doctorate in Philosophy (Development Administration), National Institute of Development Administration
- Honorary Doctorate in Economics, Chulalongkorn University
- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Economics, Chulalongkorn University

Director Training Program

1. CGI: Corporate Governance for Capital Market Intermediaries 15/2016
2. ACEP: Anti-Corruption for Executive Program 2/2012
3. DAP: Director Accreditation Program 36/2005
4. RCP: Role of the Chairman Program 5/2001

5 years' experience in other Listed Company

May 2019 - Present

- Advisory of the Risk Oversight Committee Kiatnakin Phatra Bank Plc.

2012 - Present

- Director and Chairman of the Executive Committee, Kiatnakin Phatra Bank Plc.

2010 - Present

- Chairman of the Board of Director KKP Capital Plc.

2007 - Present

- Independent Director and Chairman of the Nomination and Remuneration Committee Don Muang Tollway Plc.

2003 - Present

- Chairman of the Board of Director Kiatnakin Phatra Securities Plc.

2012 - May 2019

- Member of the Risk Management Committee Kiatnakin Phatra Bank Plc.

2012 - 2015

- Chief Executive Officer, Kiatnakin Phatra Bank Plc.

2010 - Apr. 2017

- Chairman of the Nomination and Remuneration Committee Muang Thai Insurance Plc.

2008 - Apr. 2017

- Independent Director Muang Thai Insurance Plc.

Mr. Supol Wattanavekin

Age 65 years

Position

- Director
- Chairman of the Nominating and Corporate Governance Committee

Date of Directorship

November 4, 2004 (16-year working period)

Education

- Master of Business Administration (Executive) (EMBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University

Director Training Program

1. BMD: Boards that make a Difference 9/2019
2. Cyber Resilience Leadership Workshop “Mission in Action” (2019), Bank of Thailand
3. Bangkok FinTech Fair 2019, Bank of Thailand
4. Bangkok Sustainable Banking Forum 2019: An Industry Wake-up Call, Bank of Thailand
5. Chairman Dinner (2018) “Social Responsibilities in Action”, Thai Institute of Directors Association (IOD)
6. Chairman Dinner (2017), Thai Institute of Directors Association (IOD)
7. Family Business Club Event (3/2017), Thai Institute of Directors Association (IOD)
8. SET 100 Civil and State Cooperation (2016), The Stock Exchange of Thailand (SET)
9. RCL: Risk Management Program for Corporate Leader 3/2016, Thai Institute of Directors Association (IOD)
10. CG Forum 4/2015 - Thailand CG Forum “Governance as a Driving Force for Business Sustainability”, The Stock Exchange of Thailand (SET)
11. DCPU: Director Certification Program Update 1/2014, Thai Institute of Directors Association (IOD)
12. CG Forum 2/2014 Corporate Governance in the Perspective of Investors, The Stock Exchange of Thailand (SET)
13. Chairman Forum 1/2013 “Meeting the AEC Challenge: Role of the Chairman”, Thai Institute of Directors Association (IOD)
14. CG Forum 3/2013 “Conflict of Interest : Fighting Abusive RPT”, The Securities and Exchange Commission (SEC)
15. Chairman Forum 2/2013 “Role of the Chairman’s business code of conduct”, Thai Institute of Directors Association (IOD)

16. FGP: Financial Institution Governance Program 2/2011, Thai Institute of Directors Association (IOD)
17. Financial sector Restructuring in Thailand: From present to the future (Special Seminar 1/ 2010), Thai Institute of Directors Association (IOD)
18. The 5th SEACEN / ABAC / ABA / PECC Public Private Dialogue for the Asia Pacific Region (2009), The South East Asia Central Bank Research and Training Center, Malaysia
19. Corporate Governance Report of Thai Listed Companies (2007), Thai Listed Companies Association
20. Leadership, Strategic Growth and Change (2006), Sasin Graduate Institute of Business Administration of Chulalongkorn University
21. Organizing and Managing Strategic Alliances for Success and Profit (2006), Sasin Graduate Institute of Business Administration of Chulalongkorn University
22. DCP: Director Certification Program 76/2006, Thai Institute of Directors Association (IOD)
23. DAP: Director Accreditation Program 56/2006, Thai Institute of Directors Association (IOD)
24. Orchestrating Winning Performance (2005), IMD International, Switzerland
25. Board & CEO Assessment (2003), Thai Institute of Directors Association (IOD)
26. RCP: The Role of the Chairman Program 1/2000, Thai Institute of Directors Association (IOD)

5 years' experience in other Listed Company

May 2019 - Present

- Chairman of the Risk Oversight Committee
Kiatnakin Phatra Bank Plc.

2012 - Present

- Advisory to Executive Committee
Kiatnakin Phatra Bank Plc.

2011 - Present

- Chairman of the Board of Director
Kiatnakin Phatra Bank Plc.

2003 - 2019

- Chairman of the Risk Management Committee
Kiatnakin Phatra Bank Plc.

Mrs. Panida Thepkanjana

Age 61 years

Position

- Director
- Chairman of the Management Development and Compensation Committee

Date of Directorship

1991 (29-year working period)

Education

- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Law, Chulalongkorn University
- Barrister-at-Law, The Institute of Thai Bar Association

Director Training Program

1. BMD: Board that Make a Difference 10/2020
2. RNG: Role of the Nomination and Governance Committee 6/2014
3. DCP: Refresher Course 1/2005
4. DCP: Director Certification Program 18/2002

5 years' experience in other Listed Company

- No

Mrs. Arada Vongkusolkrit

Age 45 years

Position

- Director
- Member of the Strategic and Investment Committee
- Member of the Management Development and Compensation Committee

Date of Directorship

April 26, 2017 (4-year working period)

Education

- Bachelor of Science in Manufacturing Engineering, Boston University School of Engineering, Boston Massachusetts
- Master of Engineering, Operations Research & Industrial Engineering, Cornell University Graduate School, Ithaca, New York
- Executive Master of Business Administration (EMBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Director Training Program

1. RCL: Risk Management Program for Corporate Leader 12/2018
2. BMT: Board Matter and Trends 3/2017
3. DCP: Director Certification Program 162/2012
4. FSD: Financial Statement for Director 17/2012

5 years' experience in other Listed Company

- No

Mr. Gavin Vongkusolkrit

Age 38 years

Position

- Director
- Member of the Strategic and Investment Committee
- Member of the Nominating and Corporate Governance Committee

Date of Directorship

December 1, 2011 (9-year working period)

Education

- Master of Business Administration (Finance), The University of Sydney, Australia

Director Training Program

1. RCC: Role of the Compensation Committee 17/2013
2. RNG: Role of the Nomination and Governance Committee 4/2013
3. DCP: Director Certification Program 156/2012

5 years' experience in other Listed Company

- No

Mr. Kasama Punyagupta

Age 58 years

Position

- Director
- Chairman of the Strategic and Investment Committee

Date of Directorship

April 28, 2018 (3-year working period)

Education

- Master of Business Administration (International Business), University of Bridgeport, Connecticut, USA
- Bachelor of Business Administration (Banking and Finance), Chulalongkorn University

Director Training Program

1. CSR: Corporate Governance and Social Responsibility 1/2007
2. DCP: Director Certification Program 49/2004

5 years' experience in other Listed Company

- Jul. 2019 - Present
 - Independent Director and Chairman of the Audit Committee
MBK Plc.
- Apr. 2018 - Jun. 2019
 - Independent Director and Member of the Audit Committee
MBK Plc.
- 2014 - 2017
 - Advisory to the Strategic and Investment Committee
The Erawan Group Plc.
- 2014 - 2016
 - Director and Chairman of the Risk Management Committee
Zen Corporation Group Plc.
- 2014 - 2016
 - Member of the Strategy and Reform Committee
Thai Airways International Plc.

Mr. Petch Krainukul

Age 49 years

Position

- Director
- Member of the Strategic and Investment Committee
- President, appointed date 1 January 2018

Date of Directorship

June 1, 2014 (6-year working period)

Education

- Master of Business Administration (Finance), University of South Alabama, Alabama, USA

Director Training Program

- DCP: Director Certification Program 101/2008

5 years' experience in other Listed Company

- No

Ms. Kanokwan Thongsiwarugs

Age 54 years

Position

- Company Secretary
- Secretary of the Audit Committee
- Secretary of the Nominating and Corporate Governance Committee
- Vice President, Internal Audit Department
- Vice President, Good Corporate Governance Center

Education

- Master of Business Administration (MBA), Kasetsart University

Training Program in 2020

1. IAASB's work plan and value of the audit to the users of financial statements, SET
2. "CSR Direction in 2020 : The Year of Sustainpreneurship" and "Corporate SDG Impact : From Purpose to Performance", Thaipat Institute
3. PDPA Readiness, SEC
4. IOD Open House for Company Secretary, IOD
5. Business and Human Rights, SEC

Training Program

1. SEC Capital Market Symposium 2019, SET and SEC
2. Cybersecurity and Personal Data Protection "Get Ready for New Business Standards", Faculty of Law, Chulalongkorn University and SET
3. Professional Development: Risk Management and Internal Audit, Thai Union Group Plc.
4. How to use the Reporting of acquisition or disposal of securities (form 246-2) system, SEC
5. The progress of SETLink system development and the seminar on the topic of "Company Secretary's Qualification and Importance of Contact Person, SET
6. State of the Corporate Sustainability: Sector Perspective from 100 Reporting Organizations by SEC and Thaipat Institute
7. Audit Committee of the Future-Driving through the era of disruption, IOD
8. Strategic Audit Committee: Beyond Figure and Compliance, IOD and SEC
9. Thailand Responsible Business Network (TRBN), TLCA

10. Sustainability Reporting 1/2018, SET
11. S06: Sustainability Reporting 2/2018, SET
12. Seminar: Data Protection for Business: Road to GDPR Standard
13. S05: Sustainability Evaluation & Data Management 2/2018, SET
14. Rehearsing of investor warning measures, SEC
15. Sustainability Reporting 1/2017
16. CSR for Corporate Sustainability 1/2017
17. Lecture on the topic of "Key Success Factors for Hotel Business, RE-CU Hotel in Songkhla Vol. 1, The Real Estate Executive Association, Chulalongkorn University
18. CG Forum 1/2016, SET
19. IOD Luncheon Briefing "How can Corporate Directors Help Nurture Social Enterprises"
20. CG Forum 2/2016, SET
21. Internal Audit's Challenge in Value Adding 2016
22. RE-CU Hotel investment and Marketing 8/2016
23. TLCA Knowledge Sharing "Cross-Team Collaboration for Sustainability and Innovation
24. Panelist: IOD Company Secretary Forum 2014. topic "Strengthening Anti-Corruption Practice in Your Boardroom"
25. Lecturer: Company Secretary Program (CSP) 2014
26. The UK Experience on Implementing the Enhanced Auditor Reporting by SEC, Federation of Accounting Professions and SET
27. Going from "Good" to "Great" in IT Risk and Control Management, November 28, 2012
28. IOD Company Secretary Forum 2013, topic "Equipping Your Board for AGM"
29. CSP: Company Secretary Program 28/2008
30. RCC: Role of the Compensation Committee Program 3/2007
31. Auditing Information System, the Institute of Internal Auditors of Thailand (IIAT)
32. Corporate Secretary Development Program 11/2005, Chulalongkorn University

Authority to sign on behalf of the Company

Two of the following five directors namely; Mr. Chanin Vongkusolkrit, Mrs. Panida Thepkanjana, Mr. Kasama Punyagupta, Mrs. Arada Vongkusolkrit and Mr. Petch Krainukul, shall jointly sign a document together.

Dividend Policy

Approximately 40 percent of the net profits of the consolidated financial statements after deduction of all kind of reserves as specified by law and the Company with additional conditions.

Roles and Responsibilities of the Board of Directors and the Committees

Board of Directors consists of eleven members, as follows:

- | | |
|--|--|
| 1. Mr. Chanin Vongkusolkrit | Chairman of the Board of Directors |
| 2. Dr. Kulpatra Sirodom | Independent Director and Chairman of the Audit Committee |
| 3. Mr. Ekasith Jotikasthira | Independent Director and Member of the Audit Committee |
| 4. Assoc. Prof. Dr. Somprawin Manprasert | Independent Director and Member of the Audit Committee |
| 5. Mr. Banyong Pongpanich | Independent Director |
| 6. Mr. Supol Wattanavekin | Director |
| 7. Mrs. Panida Thepkanjana | Director |
| 8. Mrs. Arada Vongkusolkrit | Director |
| 9. Mr. Gavin Vongkusolkrit | Director |
| 10. Mr. Kasama Punyagupta | Director |
| 11. Mr. Petch Krainukul | Director and President |

Term of Directors: 3 years each term. At the Annual General Meeting of Shareholders (AGM), one-third of all directors shall resign by rotation. The resigning directors may be re-elected.

Board of Directors' roles and responsibilities are:

1. To manage the company according to the laws, the Objectives in Detail, the Articles of Association and the Resolutions of the Shareholders' Meeting with integrity and prudence for the Company's interests.
2. To determine the company's visions, mission and business policy.
3. To review the business development plans, improve its competency and assess the company performance.

4. To consider budgets to maximum the business's economic values and for better returns to shareholders.
5. To formulate the development policy and a succession plan of executives.
6. To supervise and develop risk assessment.
7. To supervise and develop the Company's corporate governance compliance.
8. To supervise and set up an internal control and an internal audit system.
9. To take care of interests of both major and minor shareholders so that they can equally exercise and maintain their interests while accessing accurate and complete information with transparency and accountability
10. To appoint the committees, determine scopes of work and monitor their performances.
11. To conduct the executive performance's evaluation and consider the HR development policy.

The Audit Committee consists of three members as follows:

- | | |
|--|--|
| 1. Dr. Kulpatra Sirodom | Chairman |
| 2. Mr. Ekasith Jotikasthira | Member of the Committee |
| 3. Assoc. Prof. Dr. Somprawin Manprasert | Member of the Committee |
| 4. Ms. Kanokwan Thongsiwarugs | Secretary of the Committee and Vice President, Internal Audit Department |

Term of the Audit Committee: 3 years each term.

Audit Committee Charter:

The Board of Directors of The Erawan Group Public Company Limited attaches importance to Good Corporate Governance Practices and Anti-corruption policy sets by the Securities and Exchange Commission and/or the Stock Exchange of Thailand, has therefore appointed the Audit Committee to provide assistance in overseeing the Company's operations so as to be in the right direction, transparency and bring about benefits to the investors and all parties concerned and accordingly set out the duties and responsibilities as well as the scope of operations of the Audit Committee as follows:

1. The Composition of the Audit Committee
 - 1.1 Audit Committee members must be independent directors.
 - 1.2 The Audit Committee must consist of at least 3 members, and at least 1 of whom must possess sufficient knowledge on finance and accounting.

2. The Qualifications of Audit Committee

2.1 Must be appointed by the Board of Directors.

2.2 Shall not hold shares exceeding 0.5 % of the total number of voting shares of the Company, its parent company, subsidiary companies, associated companies, or any juristic persons with potential conflict, including the shares held by related persons of such independent director.

2.3 Must not be nor have ever been a director with management authority, employee, advisor who receives a salary, or is a controlling person of the Company, its parent company, subsidiary companies, associated companies, or juristic persons with potential conflict, unless the foregoing status has ended not less than 2 years prior to the date of appointment as an independent director.

2.4 Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring, including spouse of offspring of an executive or major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary.

2.5 Must not have nor have ever had any business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts to the extent that may obstruct the using of his/her independent discretion, and is not nor ever been a major shareholder, a non-independent director or an executive of those with business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, unless the foregoing status has ended not less than 2 years prior to the date of filing an application with the Office of the Securities and Exchange Commission.

2.6 Must not be nor have ever been an auditor of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, and is not a major shareholder, a non-independent director, an executive, or a managing partner of the audit firm where the auditors of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts are working for, unless the foregoing status has ended not less than 2 years prior to the date of appointment as an independent director.

2.7 Must not be nor have ever been a provider of any professional service, including a legal advisor or financial advisor who receives service fees exceeding 2 million baht per year, from the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts. Where the provider of professional service is a juristic person, it shall include the major shareholders, non-independent directors, executives, or managing partners of such professional service provider, unless the foregoing status has ended not less than 2 years prior to the date of appointment as an independent director.

2.8 Must not be a director appointed as the representative of the Company directors, major shareholders, or any shareholders who is related to a major shareholders of the Company.

2.9 Must not possess any other characteristics that will prevent the independent expression of opinions regarding the Company's operations.

The Independent Director who are qualified according to items 2.1- 2.9 may be assigned by the Board of Directors to make decision relating to the business operation of the Company, subsidiaries, associated companies or juristic persons with potential conflict. The decision could be made in the form of panel.

3. Term of Office and Retirement

3.1 The Audit Committee shall hold the position for 3 years term. Nevertheless, a retiring member is eligible for re-appointment.

3.2 In case of a vacancy in the Audit Committee for reason other than the expiration of the term, the Board of Directors shall appoint a director who is fully qualified according to the requirement of the Securities and Exchange Commission Thailand and/or the Stock Exchange of Thailand to fill in such vacancy to serve the remaining term of the position.

3.3 If any member of the Audit Committee wishes to resign before the end of the term, the Company shall be notified in advance, not less than 30 days, in order for the Board of Directors to appoint a replacement. The Board of Directors shall appoint a substitute member immediately or at least within 3 months from the resigning date of such Audit Committee member. The Company shall immediately inform the Stock Exchange of Thailand about the resignation with a copy of the resignation letter.

4. Meetings and Quorum

4.1 To constitute a quorum, not less than one-half of the total members of the Audit Committee must attend the meeting each time.

- 4.2 If the Chairman is not present at the meeting, or unable to perform his duties, the Audit Committee members attending the meeting must select a member to perform as the Chairman of the meeting.
- 4.3 Meetings of the Audit Committee shall be at least 4 times per year, the Chairman of the Audit Committee may call for a special meeting to consider the urgent issue as deemed fit.
- 4.4 Resolution of the Audit Committee may be made by a majority vote of the attending members. Each member of the Audit Committee is entitled to one vote. In the event of tie vote, the Chairman of the meeting shall have a casting vote.
- 4.5 The Audit Committee Member who has a conflict of interest in any matters shall not be taken up the discussion or entitled to vote on such matter.
- 4.6 The Secretary of the Audit Committee and/or participants other than members has no voting right in the meetings of the Audit Committee.
5. Scope of Duties and Responsibilities
- The Audit Committee has the duties assigned by the Board of Directors as Follows:
- 5.1 To review the accuracy and sufficient disclosure of the Company's reports on both financial and non-financial performance while offering opinions and management guidelines to ensure the appropriateness and transparency of the Company's operations.
- 5.2 To review the appropriateness and sufficient of Company's Internal Control System and the effectiveness and efficiency of Internal Audit Function. To consider the independence of internal audit department, as well as to approve the appointment, transfer or dismissal of the head of internal audit department or any other departments responsible for internal audit work.
- 5.3 To review the Company's Compliance Procedure in accordance with the Securities and Exchange Acts, requirements of the Stock Exchange of Thailand or any laws relevant to the Company's business.
- 5.4 To review the effectiveness and suitability of the Company's Risk Management while providing the recommendations and the systematically monitoring on the issues with significant progress.
- 5.5 To review the existence of Company's Internal Control Measures including the supervision, implementation on anti-corruption measures and risk assessment as well as provide the recommendations, and report the audit result with regard to the Anti-Corruption Measure to the Board of Directors regularly.
- 5.6 To select and propose the appointment of an independent person to perform the duties as the Company's auditor, also propose the remuneration for such person, as well as to attend meeting with the auditor at least once a year without a presence of the management.
- 5.7 To consider connected transactions or transactions with potential conflict to ensure compliance with all pertinent laws and requirement of the Stock Exchange of Thailand and to be certain that such transactions are reasonable and for maximum benefit of the Company.
- 5.8 To prepare the Audit Committee's report to be disclosed in the Company's Annual Report. The report must be duly signed by the Chairman of the Audit Committee and comprise at minimum the following information:
- 5.8.1 Opinion in respect of the accuracy, completeness, reliability of the Company's financial reports and non-financial reports.
- 5.8.2 Opinion toward the Risk Management.
- 5.8.3 Opinion regarding the adequacy of the Company's Internal Control System.
- 5.8.4 Opinion toward the compliance with the Securities and Exchange Acts, requirements of the Stock Exchange of Thailand or laws relevant to the Company's business.
- 5.8.5 Opinion about the connected transactions or transactions with potential conflict of interest.
- 5.8.6 Opinion about the Implementation of Counter-corruption Measures.
- 5.8.7 Opinion about Internal Audit.
- 5.8.8 Opinion about the suitability of the Auditor.
- 5.8.9 Numbers of the meetings of the Audit Committee and attendance by each committee member.
- 5.8.10 Opinions or remarks in whole of the Audit Committee obtained from performing duties under the charter.
- 5.8.11 Other items that should be known by its shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.
- 5.9 The Audit Committee has the right to attend trainings or to participate in activities in order to increase knowledge on concerning work by using the Company's resources.
- 5.10 To review and amend the Audit Committee Charter and propose to the Board of Director for approval.

6. Any Other Operations assigned by the Board of Directors with the Audit Committee's Approval

In performing duties, the Audit Committee is responsible directly to the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to the third party.

In performing duties, if the Audit Committee has found or suspected that there are items or acts relating to

- 1) Transaction which may cause conflict of interest
- 2) Fraud or irregular event or material flaws in the internal control system.
- 3) Violations of laws pertaining to Securities and Exchange Act, requirements of the Stock Exchange of Thailand or the laws relating to the Company's business which may have a significant impact on the financial position and operational results of the Company.

The Audit Committee shall report to the Board of Directors for rectification and improvement within the time deemed appropriate by the Audit Committee.

Should the Board of Directors or the executives fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

7. Reporting

After each meeting of the Audit Committee, the Secretary of the meeting shall summarize the opinions and comments of the meeting then submit to the Company's Board of Directors for acknowledgment and / or for consideration.

8. Miscellaneous

8.1 The Audit Committee is authorized to call for or invite the executives, related persons or auditors to attend a meeting to provide additional explanation and information.

8.2 The Audit Committee may seek independent opinion from any other professional advisors as deemed necessary with the Company's expense.

8.3 The Audit Committee are in charge of making a consideration and providing opinions on the appointment, transfer, considering of merit or dismissal of the internal audit staff, head of department or any other department responsible for internal audit work.

8.4 The Audit Committee may propose the Board of Director to outsource the internal audit function as deemed necessary with the Company's expense.

The Strategic and Investment Committee consists of eight members as follows:

- | | |
|--------------------------------|----------------------------|
| 1. Mr. Kasama Punyagupta | Chairman |
| 2. Mrs. Vansamorn Wannamethee | Member of the Committee |
| 3. Mrs. Arada Vongkusolkit | Member of the Committee |
| 4. Mr. Gavin Vongkusolkit | Member of the Committee |
| 5. Mr. Nattapong Vongkusolkit | Member of the Committee |
| 6. Mr. Supatchara Wattanavekin | Member of the Committee |
| 7. Ms. Punnaporn Thepkanjana | Member of the Committee |
| 8. Mr. Petch Krainukul | Member of the Committee |
| 9. Ms. Woramon Inkatanuvut | Secretary of the Committee |

Term of the Strategic and Investment Directors: 3 years each term.

The Strategic and Investment Committee's roles and responsibilities are:

1. To consider and formulate the business plan and long term strategy of the Company with the President and management and propose to the Board of Director for final approval.
2. To supervise and approve investment projects and divestment transactions as set out in the Company's master plan. The Committee's responsibilities shall include preliminary approvals of project feasibility, financial returns, and review of risks associated with the project, financial structure and source of financing.
3. To provide recommendation to management in relation to business opportunity.

The Nominating and Corporate Governance Committee consists of three members as follows:

- | | |
|--------------------------------|----------------------------|
| 1. Mr. Supol Wattanavekin | Chairman |
| 2. Mr. Ekasith Jotikasthira | Member of the Committee |
| 3. Mr. Gavin Vongkusolkit | Member of the Committee |
| 4. Ms. Kanokwan Thongsirwarugs | Secretary of the Committee |

Term of the Nominating and Corporate Governance Committee: 3 years each term.

The Nominating and Corporate Governance Committee's roles and responsibilities are:

1. To determine the Board of Directors' composition and qualification of its members as well as members of the committees.
2. To nominate candidates for the Board of Directors and member of the committees.
3. To determine the Remuneration of Directors and the directors of the committees.

4. To propose corporate governance policies and guidelines to the Board of Directors and to review and update such policies and guidelines on ongoing basis.
5. To evaluate the Board of Directors and each committee's performance and to ensure that the Board of Directors and management's operations conformed to the corporate governance policies and guidelines.
6. To promote knowledge acquisition for the Company's nature of business, regulations, and strategy.

The Management Development and Compensation Committee

consists of three members as follows:

- | | |
|--------------------------------|----------------------------|
| 1. Mrs. Panida Thepkanjana | Chairman |
| 2. Mr. Banyong Pongpanich | Member of the Committee |
| 3. Mrs. Arada Vongkusolkit | Member of the Committee |
| 4. Mr. Suchai Wuthworachairung | Secretary of the Committee |

Term of the Management Development and Compensation Directors: 3 years each term.

The Management Development and Compensation Committee's roles and responsibilities are:

1. To evaluate the performance and determine the annual remunerations and the compensation structure of President while offering him/her an advice regarding remunerations of senior executives.
2. To consider a succession plan of President as well as a Skills and Competency Development Plan of the potential candidates for President Position and to give an advice to the President on the Executive Succession Plan Development.
3. To acknowledge the report on the succession plan of Executive Vice President level.
4. To determine the significant HR policies and the structure of staff's remunerations' policy: the Annual Remunerations policy and Budgeting, Rewards (bonus), etc.
5. To consider an allocation of the Employees Share Options Program (ESOP) in case such allocation exceeds 5 percent of the program's shares.

Independent Directors, who account for 36.36 percent of the Company's Board of Directors, consist of:

- | | |
|-----------------------------|---------------------------------|
| 1. Dr. Kulpatra Sirodom | Chairman of the Audit Committee |
| 2. Mr. Ekasith Jotikasthira | Member of the Audit Committee |
| 3. Dr. Somprawin Manprasert | Member of the Audit Committee |
| 4. Mr. Banyong Pongpanich | Independent Director |

The Company's Executives consist of:

- | | |
|--------------------------------|--|
| 1. Mr. Petch Krainukul | President |
| 2. Ms. Woramon Inkatanuvat | Executive Vice President |
| 3. Mr. Apichan Mapaisansin | Executive Vice President |
| 4. Mr. Navarat Tamsuwan | Executive Vice President |
| 5. Mr. Suchai Wuthworachairung | Assistant Executive Vice President |
| 6. Mr. Youssef El Khomri | Assistant Executive Vice President |
| 7. Ms. Jetiya Kitiyodom | Senior Vice President, Accounting Department |

Qualification of Directors

Principles:

The Board of Directors should consist of members of eclectic qualifications in terms of gender, age, knowledge and experiences in various fields from finance to economy, management, business administration, marketing, service, tourism, law and property development as this will allow the Board to formulate business policies and goals, approve strategic plans and operations, supervise and audit the management's performances and ensure the management is carried out under the principles of Good Corporate Governance.

Board of Directors Composition

1. Non-executive directors
2. Independent directors, whose number will be no fewer than one-third of all company directors where one must be knowledgeable in accounting and finance in order to be sufficient for appointing as a member of the Audit Committee
3. Executive Directors

General Qualifications:

1. Not over 75 years old.
2. Being knowledgeable with well-versed experience; being professional and ethical.
3. Understanding one's roles and responsibilities; able to completely conduct one's practices on behalf of others with good faith and with ongoing commitment to maximize long-term interest of the business and shareholders
4. Having sufficient time to effectively perform one's duty.
5. Able to conduct a self-assessment and notify the Board upon change or incident that may compromise one's effective performance.

Term of Office and Retirement

1. Directors and executive director will remain in office for three years each term in accordance with the Articles of Association. The Board may nominate directors for re-election to shareholders when their term becomes due. Their directorship will be evaluated based on annual performances. Meanwhile, the members of the sub-committee will also be in the office three years each term. If their term becomes due and there is no new appointment yet, the same sub-committee will continue performing duties until a new sub-committee is appointed.
2. Independent directors will remain in office for three years each term but their term will not exceed nine consecutive years unless the Nomination and Corporate Governance Committee requests the Board to consider it on a special case where a relevant independent director is found being independent enough to continue performing his duty in a critical role of corporate governance to oversee the interests of both the company and its shareholders while also remaining independent from the management. In such a case, the Board of Directors shall duly grant its approval.
3. Directors may retire from office in accordance with the Articles of Association and when he/she is older than 75 years old as per director's qualifications mentioned above. Directors however may remain in office to the day of the Annual General Meeting (AGM) is held but will leave the office as soon as the meeting is completed.

Specific Qualifications:

Chairman of the Board of Directors

Aside from roles and responsibilities described in the principles and set for other directors, Chairman shall have the following duties: (1) presiding over the meeting of the Board of Directors; (2) making a casting vote at the Board's meeting when votes are tied; (3) calling the meeting of the Board of Directors; and (4) presiding over the Shareholders' Meeting. Chairman shall not be involved in the management or shall not being an employee, staff or advisory who is on the payroll, external auditor or professional service provider in the associated companies and audit firms.

Executive Director

An Executive Director who is Chief Executive Officer and/or President is advised to dedicate time to actively manage the business. He/she should not hold a position in other firms except

in a subsidiary or an affiliate. His/her wish to become a director in other firms shall, however, be first subject to the Board of Directors' review.

Independent Director

1. Independent Director shall hold less than 1 percent of the total shares with voting rights in a company, its affiliated company, associated company or any other person with possible conflicts of interest including shares held by related persons.
2. Independent Director must not be involved in the management, employee, staff, advisor with monthly salary or person with controlling power of the company, its affiliated company, associated company and auditing company; or a person with conflict of interest, either at the present time or within two years prior to his/her appointment as an Independent Director.
3. An Independent Director shall have neither blood nor registered relationship as a father, mother, spouse, sibling and children including spouse of children of executive officers, major shareholders, persons with controlling authority or anyone to be nominated as an executive officer or a person with controlling power of the company or its subsidiary.
4. An Independent Director shall have no business relationship with the company during the previous two years. Details are as follows:
 - 4.1 No relationship as a provider of professional service including being an auditor (in any case), or of other professions such as being a legal consultant, a financial advisor or an asset appraiser with an annual transaction value exceeding Baht 2 million.
 - 4.2 A business and trade relationship including normal transactions, renting or leasing of property, transactions relating to assets and services and giving or getting financial assistance with a transaction value from Baht 20 million or 3 percent of the Company's NTA, whichever is lower. This however shall include values of all retroactive transactions during at least the six previous months prior to the latest transaction.
 - 4.3 An Independent Director shall possess no other characteristic that prevents him/her from expressing his opinion independently.
5. Independent Director must attend at least one of the following courses held by the Thai Institute of Directors (IOD); namely, Director Certification Program (DCP); Director Accreditation Program (DAP); Audit Committee Program (ACP)

Member of the Audit Committee

1. He/she shall be an Independent Director appointed by the Board of Director or Shareholders.
2. He/she shall not be a director entrusted by the Board to make any decision with regard to a business of the company, its parent company, subsidiary and affiliate, subsidiary of the same level or other entities that may have a conflict of interest.
3. His/her duties must not be fewer than what is stipulated by the SET.

Transactions with Possible Effects to Independence

1. Being authorized person to approve transactions or signing to bind the Company, except the signing under the approval of the Board of Director or in the form of the collective decision.
2. Attending a meeting or voting in a matter that he has an interest or a conflict of interest therein.

Prohibited Characteristics

Directors and executive officers must possess no qualifications that are conflicting with the company's requirements and announcements made by the SEC and the SET.

Duties and Authorities of President

1. To formulate the business plan and long term strategy of the Company with the Strategic and Investment Committee and propose to the Board of Director for final approval.
2. To formulate the Company's business plan and strategy in accordance with the Company's Vision and Mission.
3. To formulate the Company's annual budget and allocate required resources to achieve annual goal.
4. To manage human resources including recruiting, setting compensations, welfare and benefits, setting evaluation methods, appointing, removing and transferring staff and issuing rules, regulations and announcements as deemed appropriate.
5. To set forth management structure, determine roles, duties and approval authorities.
6. To develop various systems to ensure effective and efficient operations.
7. To build and nurture corporate cultures to achieve long term sustainable growth.
8. To develop skills, knowledge and competency of employee in accordance with the Company's business plan and to promote and develop the succession plan of the important executives' position.

9. To develop valid and sufficient databases and the storage system to support decision making.
10. To represent and promote corporate image and profile to public.
11. To develop good corporate governance and ensure good practice throughout both at company and employee's level.

Duties and Responsibilities of Company Secretary

The Board of Directors has appointed Ms. Kanokwan Thongsiwarugs as Company Secretary, whose duties and responsibilities are as stipulated in the Securities and Exchange Act (No.4) B.E. 2535, an amendment of the Securities and Exchange Act (No.5) B.E. 2559 and/or other related laws, rules and regulations have stipulated. This includes:

1. To support the Board to perform its fiduciary duties with integrity and care as a normal person may do in the same situation; to offer advice to directors, the Management and staff to ensure compliances to the laws, rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and other relevant legislations.
2. To supervise the internal auditing, the internal control system in compliance with the principle of good corporate governance.
3. To coordinate matters relating to directors such as changes of qualifications, changes of roles and duties, terms of offices of committees, resignation on rotation, resignation prior to a due term and appointment of new directors.
4. To specify and inform a place where important documents of the firm are kept and to disclose related information based on duties and responsibilities to the SEC.
5. To monitor the Management's performances to ensure good practices.
6. To prepare enough annual reports for distribution to shareholders and related persons.
7. To review invitation letters to the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders, adequacy of documents, supporting documents and information disclosure to the meeting and minutes of the meeting.
8. To disclose related information under the Secretary's duties and responsibilities to the SET.

The Company's Articles of Association of the Nomination of Directors

Clause 18. The directors shall be nominated for election and elected at the Shareholders Meeting in accordance with the following rules and procedures:

- 18.1 The Chairman of the meeting shall propose to the meeting names and background of candidates as recommended by the Board of Directors for approval;
- 18.2 Each shareholder shall have a number of votes equal to the number of shares held;
- 18.3 The election of a director may be processed by voting to elect one or several persons as director or directors as deemed appropriate by the Shareholders Meeting. However, each shareholder must exercise all the votes he has under subclause 18.2 to elect each director and cannot divide his votes to any person particularly; and
- 18.4 The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be elected as directors equivalent to the number of

directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding Chairman shall have the casting vote.

Clause 19. At each annual ordinary meeting of shareholders, not less than one-third (1/3) of the directors shall retire. If the number of directors is not a multiple of three, the number of directors shall be the closest to one-third (1/3).

A director who vacates his office may be re-elected.

The directors shall agree among themselves as to the order of their retirement from the office in accordance with the first paragraph.

Clause 48. A resolution of the shareholders meeting shall require:

- 48.1 The simple majority vote of shares of shareholders who attend the meeting (in person or by proxy) and cast their votes.



Novotel Bangkok Sukhumvit 4

Shareholding of the Board of Directors and Management

As of December 31, 2020

Name	Title	Ordinary Share (Units)		
		Dec.31,2020	Dec.31,2019	+ (-)
1. Mr. Chanin Vongkusolkrit	Chairman of the Board	102,905	102,905	-
2. Dr. Kulpatra Sirodom	Independent Director	-	-	-
3. Mr. Ekasith Jotikasthira	Independent Director	-	-	-
4. Assoc. Prof. Dr. Somprawin Manprasert	Independent Director	-	-	-
5. Mr. Banyong Pongpanich	Independent Director	3,000,000	-	3,000,000
6. Mr. Supol Wattanavekin	Director	66,235,502	66,235,502	-
7. Mrs. Panida Thepkanjana ¹	Director	3,768,948	3,596,448	172,500
8. Mr. Gavin Vongkusolkrit	Director	67,213	67,213	-
9. Mrs. Arada Vongkusolkrit	Director	59,760	59,760	-
10. Mr. Kasama Punyagupta	Director	99,999	99,999	-
11. Mr. Petch Krainukul	President	3,339,082	3,339,082	-
12. Mrs. Vansamorn Wannamethee ²	Member of the Strategic and Investment Committee	149,705,304	149,764,304	(59,000)
13. Mr. Nattapong Vongkusolkrit	Member of the Strategic and Investment Committee	439,640	389,640	50,000
14. Miss Woramon Inkatanuvat	Executive Vice President	160,000	160,000	-
15. Mr. Apichan Mapaisansin	Executive Vice President	1,845,000	1,745,000	100,000
16. Mr. Navarat Tamsuwan	Executive Vice President	750,000	750,000	-
17. Mr. Suchai Wuthworachairung	Assistant Executive Vice President	788,587	100,687	687,900
18. Mr. Youssef El Khomri	Assistant Executive Vice President	-	-	-
19. Miss Jetiya Kitiyodom	Senior Vice President, Accounting Department	200,000	200,000	-
Grand Total		230,561,940	226,610,540	3,951,400

Note:

¹ Include spouse of 2,041,000 shares

² Include spouse of 7,300 shares

Remuneration of the Board of Directors and Management

The Board of directors entrusts several committees to formulate a compensation plan for directors, executives and staff as follows:

The Nominating and Corporate Governance Committee has a duty to formulate a compensation policy of directors where it is to review the soundness of compensations being paid on an annual basis on the basis of directors' scopes of duties as well as their roles and responsibilities and the company's financial status and operation results vis-à-vis others in a similar business enjoying the same amount of revenues. Compensations will be paid in three types: meeting allowances which are retainer fees and attendance fees and bonuses. Director entrusted as a committee's member shall receive additional compensations based on his additional responsibilities and this will be submitted to the Annual General Meeting of Shareholders for approval on an annual basis.

The Management Development and Compensation Committee evaluates performances of the President based on four aspects; namely, finance, customer satisfaction, internal process and HR and corporate development, as part of a review of the President compensation and the Company annual compensation.

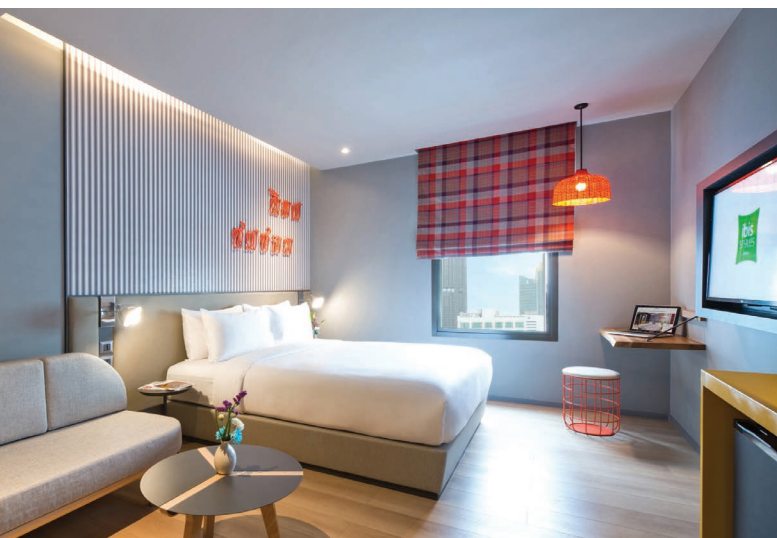
The President reviews annual compensations of executives based on a formulated policy through two evaluation processes; namely,

(1) **Balance Score Card (BSC) evaluation**, which reviews strategic significances of each department vis-à-vis corporate strategy through a linkage that will eventually trigger corporate-level strategies to lower levels; namely, from corporate strategy, to departmental and section strategies;

(2) **Competency Skill Behavior (CSB) evaluation**, where behaviors that support corporate culture will be evaluated. Supervisors will evaluate each individual. Some of the evaluation will be based upon the company's policies; others upon something else, depending on criteria set by department supervisors. To ensure effective evaluation and to access information from co-workers of various levels, the assessment is conducted by using 360-degree feedback method. In this regard, supervisors will evaluate their supervisees and vice versa. In addition, staff of all levels is encouraged to conduct a self-evaluation. Results of both BSC and CSB evaluations are used to allocate the company's overall returns to departments, sections and units.

Remunerations in cash for the year ending 31st December 2020 totaled THB 44,281,845.53 was consisted of:

1. Remunerations of directors of the Company's Board of Directors and the Committees totaled THB 4,066,400 as shown in "Remuneration for the Board of Directors and the Committees in cash for the year ending 31st December 2020"
2. Remunerations of directors of the Company's subsidiary totaled THB 4,620,000
3. Remunerations, which were total wages of the (7) executives paid by the Company and its subsidiaries, totaled THB 34,749,713.21
4. Provident fund of the executives under item 3 above totaled THB 845,732.32



ibis Styles Bangkok Sukhumvit 4

Remunerations for the Board of Directors and the Committees in cash for the year ending 31st December 2020

Name	Position	Remunerations in cash for member of the Committee					Total (THB/Year)
		Board of Directors	Audit Committee	Strategic and Investment Committee	Nominating and Corporate Governance Committee	Management Development and Compensation Committee	
1. Mr. Chanin Vongkusolkrit	Chairman of the Board	378,000	-	-	-	-	378,000
2. Dr. Kulpatra Sirodorn	Independent director	252,000	109,200	-	-	-	361,200
3. Mr. Ekasith Jotikasthira	Independent director	252,000	84,000	-	32,000	-	368,000
4. Assoc. Prof. Dr. Somprawin Manprasert	Independent director	252,000	84,000	-	-	-	336,000
5. Mr. Banyong Pongpanich	Independent director	252,000	-	-	-	32,000	284,000
6. Mr. Supol Wattanavekin	Director	252,000	-	-	41,600	-	293,600
7. Mrs. Panida Thepkanjana	Director	252,000	-	-	-	41,600	293,600
8. Mrs. Arada Vongkusolkrit	Director	252,000	-	100,000	-	32,000	384,000
9. Mr. Gavin Vongkusolkrit	Director	252,000	-	100,000	32,000	-	384,000
10. Mr. Kasama Punyagupta	Director	252,000	-	130,000	-	-	382,000
11. Mr. Petch Krainukul	Director and President	252,000	-	Executive	-	-	252,000
12. Mrs. Vansamorn Wannamethee	Member of Sub-Committee	-	-	100,000	-	-	100,000
13. Mr. Nattapong Vongkusolkrit	Member of Sub-Committee	-	-	75,000	-	-	75,000
14. Mr. Supatchara Wattanavekin	Member of Sub-Committee	-	-	100,000	-	-	100,000
15. Ms. Pannaporn Thepkanjana*	Member of Sub-Committee	-	-	75,000	-	-	75,000
	Total (THB/Year)	2,898,000	277,200	680,000	105,600	105,600	4,066,400

Note: * Ms. Pannaporn Thepkanjana was appointed on July 29, 2020.

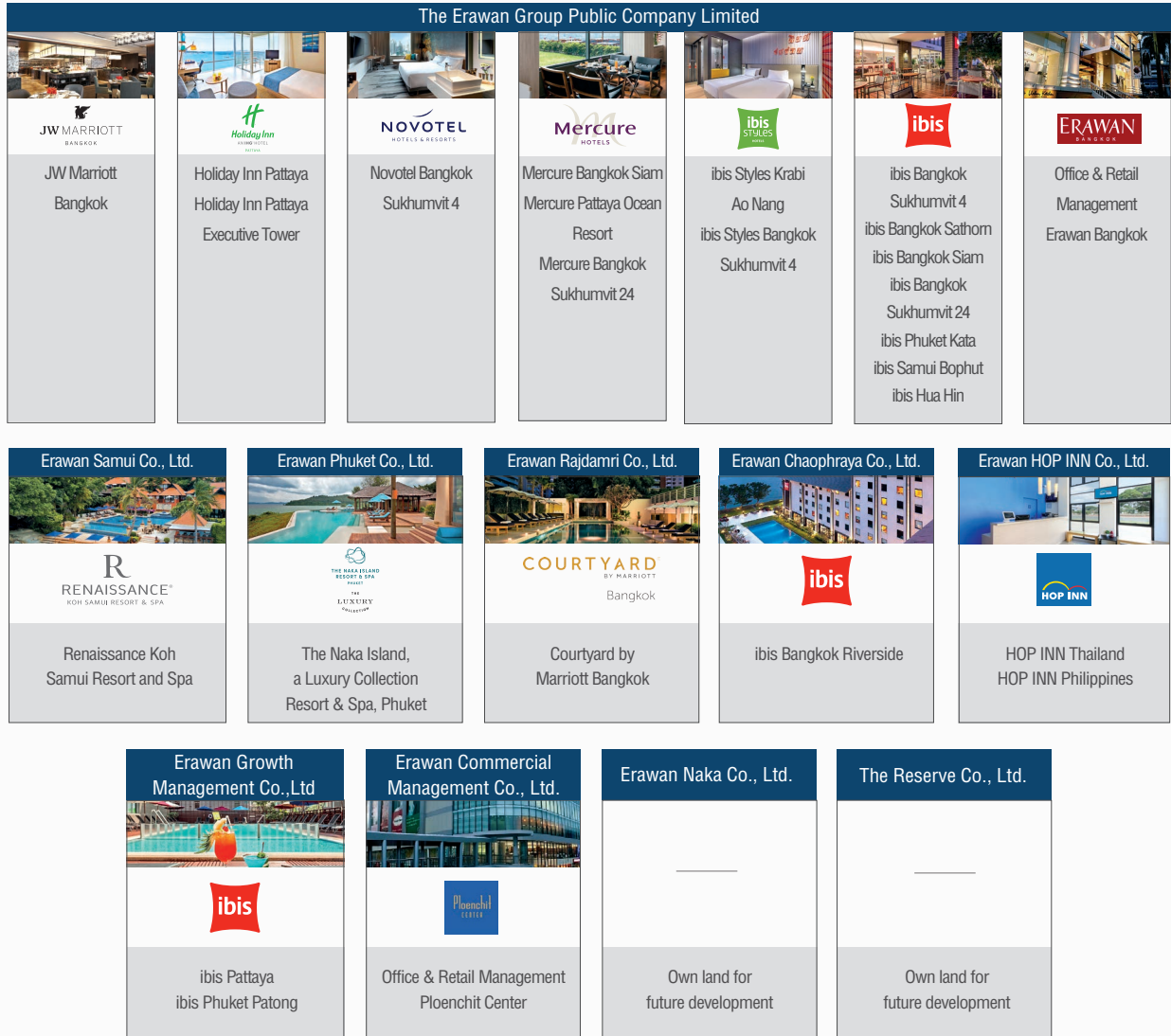
Business Overview



Novotel Bangkok Sukhumvit 4

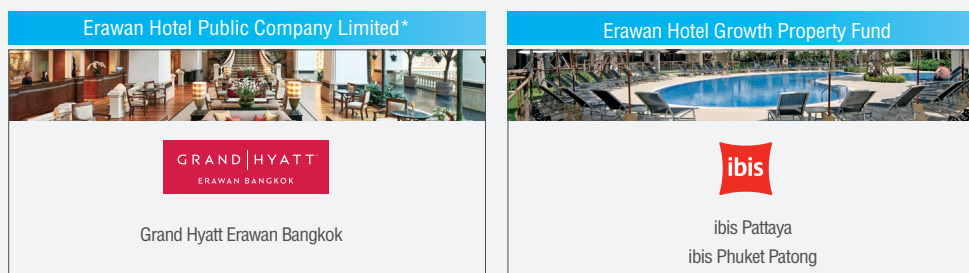
Business Structure

100%



74%

20%



* The Government hold 26% shares via The Syndicate of Thai Hotels & Tourist Enterprises Limited and is the Landlord

Operation Structure

There are 3 types of asset management structure in The Erawan Group's hotel operations.

1. Hotels managed by Erawan with own brand

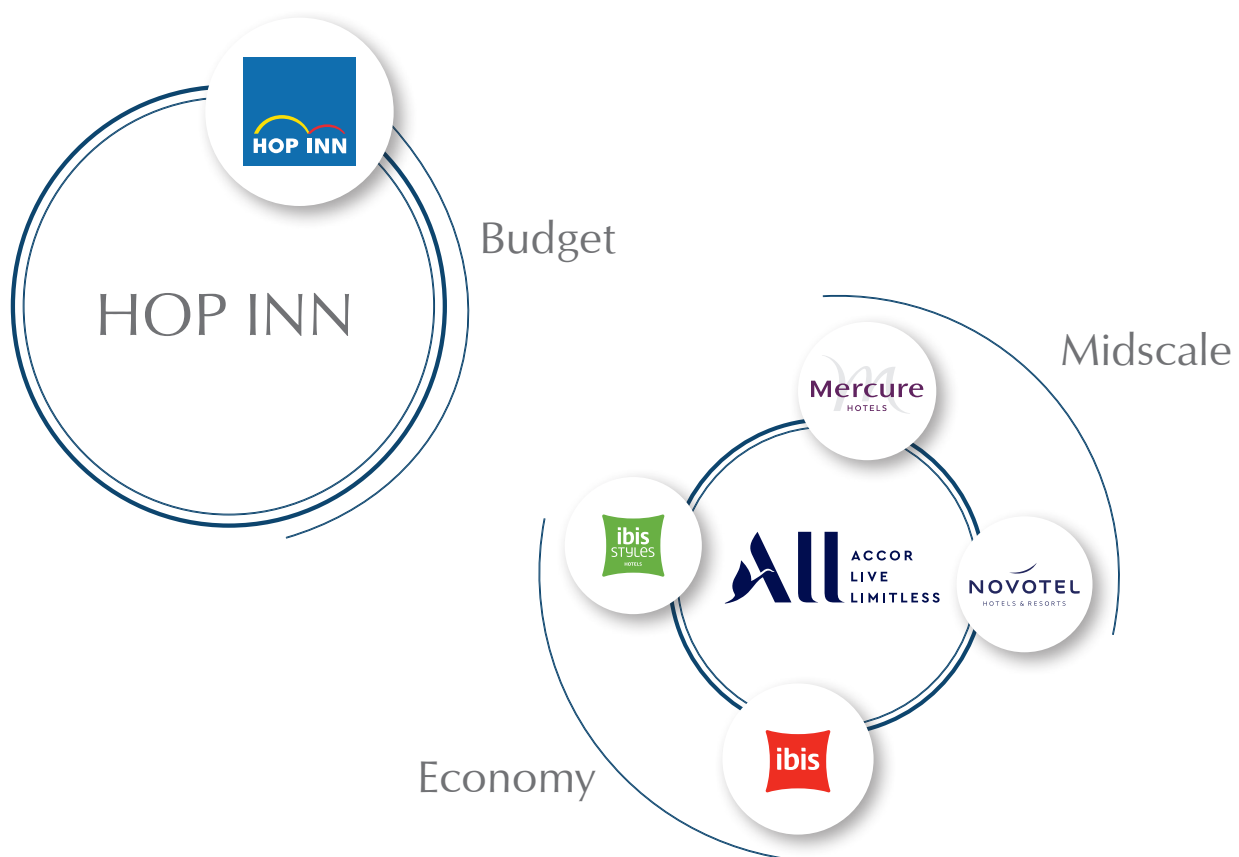
The Erawan Group has developed its own brand by the name of HOP INN which is a network of budget hotels that built and operated by the company. The company continues to offer consistent quality of product and services on prime locations in business district which serve our main customers who are domestic business travelers.

The company has first opened HOP INN in Thailand in 2014 and expanded across Thailand with more than 40 branches by 2020. The company also took HOP INN brand outside of its home country to Philippines since 2016 which has 5 branches at the moment.

2. Hotels managed by Erawan under the Franchise Agreement

The Erawan Group entered into franchise agreement with AccorHotels who is a multinational hospitality company and has its own brands with broad marketing channels. According to franchise agreement, the company is entitled to use 4 brands from AccorHotels which are Novotel consisting of 1 hotel, Mercure consisting of 3 hotels, ibis styles consisting of 2 hotels and ibis consisting of 10 hotels, which makes a total of 16 hotels across Thailand that built and operated by the company.

The company also introduced Combo Hotel which is a combination of 2 brands under 1 property which enables hotel to serve wider range of customer group and to share cost in order to generate highest return. At present, the company has 3 Combo Hotels which are 1). Mercure ibis Bangkok Siam, 2). Novotel ibis Styles Bangkok Sukhumvit 4 and 3). Mercure ibis Bangkok Sukhumvit 24.



3. Hotels managed under Hotel Management Agreement

The Erawan Group selected only well-known international hotel management companies to operate our properties. The selection criteria are based on the reputation, experience, global

network, and operation system of hotel operators as well as the appropriateness to our properties. The company now entered into hotel management agreement with 3 companies which are Hyatt International, Marriott International and IHG under 6 different brands.



Mercure Bangkok Sukhumvit 24

Properties in Operation

The Company and its subsidiaries' core businesses are investment, development and operation of diversified hotel properties in key destinations. Currently, the Company owns 73 hotels and operates other businesses including retail space rental, and management of office building. Our properties in operation are as follow:

Hotel Business in Thailand • Luxury



Grand Hyatt Erawan Bangkok

<https://bangkok.grand.hyatt.com>

Number of rooms: 380 rooms

Location: Ratchaprasong, Rajdamri Road



JW Marriott Bangkok

www.marriott.com/bkkdt

Number of rooms: 441 rooms

Location: Sukhumvit Soi 2



Renaissance Koh Samui Resort and Spa

www.marriott.com/usmbr

Number of rooms: : 45 Deluxe rooms and 33 Pool villas

Location: Lamai Beach, Koh Samui, Surat Thani



The Naka Island, a Luxury Collection Resort and Spa, Phuket

www.nakaislandphuket.com

Number of rooms: 23 Deluxe rooms and 67 Pool villas

Location: Koh Naka Yai, Phuket

Hotel Business in Thailand • Mid-Scale

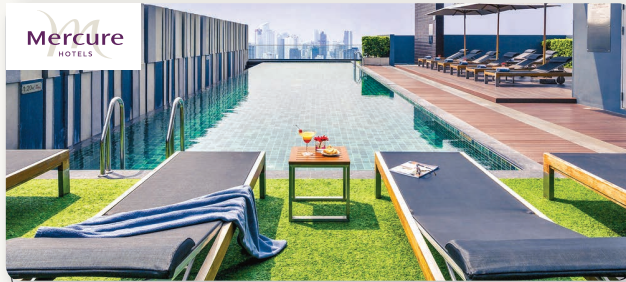


Courtyard by Marriott Bangkok

www.marriott.com/bkkcy

Number of rooms: 316 rooms

Location: Soi Mahadlekluang 1, Rajdamri Road



Mercure Bangkok Siam

www.mercure.com

Number of rooms: 189 rooms

Location: Siam, Rama 1 Road



Novotel Bangkok Sukhumvit 4

www.novotel.com

Number of rooms: 185 rooms

Location: Sukhumvit Soi 4



Mercure Bangkok Sukhumvit 24

www.mercure.com

Number of rooms: 201 rooms

Location: Sukhumvit Soi 24



Holiday Inn Pattaya

www.holidayinn-pattaya.com

Number of rooms: 567 rooms

Location: Pattaya Sai 1 Road, Chon Buri



Mercure Pattaya Ocean Resort

www.mercure.com

Number of rooms: 210 rooms

Location: Pattaya Sai 1 Road, Chon Buri

Hotel Business in Thailand • Economy



ibis Bangkok Sathorn

www.ibisthailand.com

Number of rooms: 213 rooms

Location: Soi Ngam Duphli, Rama IV Road



ibis Bangkok Sukhumvit 4

www.ibisthailand.com

Number of rooms: 200 rooms

Location: Sukhumvit Soi 4

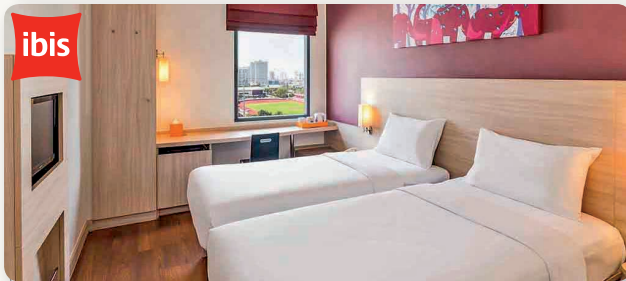


ibis Bangkok Riverside

www.ibisthailand.com

Number of rooms: 266 rooms

Location: Charoennakorn Road Soi 17,
Chaophraya River



ibis Bangkok Siam

www.ibisthailand.com

Number of rooms: 189 rooms

Location: Siam, Rama 1 Road



ibis Styles Bangkok Sukhumvit 4

www.ibisthailand.com

Number of rooms: 133 rooms

Location: Sukhumvit Soi 4



ibis Bangkok Sukhumvit 24

www.ibisthailand.com

Number of rooms: 300 rooms

Location: Sukhumvit Soi 24

Hotel Business in Thailand • Economy



ibis Phuket Patong

www.ibisthailand.com

Number of rooms: 258 rooms

Location: Patong Beach, Phuket



ibis Pattaya

www.ibisthailand.com

Number of rooms: 254 rooms

Location: Pattaya Sai 2 Road, Chon Buri



ibis Samui Bophut

www.ibisthailand.com

Number of rooms: 209 rooms

Location: Bophut Beach, Koh Samui, Surat Thani



ibis Phuket Kata

www.ibisthailand.com

Number of rooms: 258 rooms

Location: Kata Beach, Phuket



ibis Hua Hin

www.ibisthailand.com

Number of rooms: 200 rooms

Location: Hua Hin, Prachuap Khiri Khan



ibis Styles Krabi Ao Nang

www.ibisthailand.com

Number of rooms: 206 rooms

Location: Ao Nang, Krabi

Hotel Business in Thailand • HOP INN



HOP INN

www.hopinhotel.com

Number of rooms: 3,616 rooms from 46 hotels

Location: Buriram, Changwattana, Chanthaburi, Chiang Mai, Chiang Rai, Chon Buri, Chumphon, Hat Yai, Hua Hin, Kanchanaburi, Khonkaen, Krabi, Lampang, Lopburi, Mae Sot, Mukdahan, Nakhon Pathom, Nakhon Ratchasima, Nakhon Si Thammarat, Nakhon Sawan, Nong Khai, Rangsit, Phitsanulok, Phuket, Rayong, Roi Et, Sa Kaeo, Sakon Nakhon, Surat Thani, Surin, Trang, Ubon Ratchathani, Udon Thani

Hotel Business in Philippines • HOP INN



HOP INN Ermita Manila

Segment: Budget Hotel
Number of rooms: 168 rooms
Location: Ermita, Manila

HOP INN Makati Avenue Manila

Segment: Budget Hotel
Number of rooms: 144 rooms
Location: Makati, Manila

HOP INN Aseana City Manila

Segment: Budget Hotel
Number of rooms: 196 rooms
Location: Aseana City, Manila

HOP INN Alabang Manila

Segment: Budget Hotel
Number of rooms: 168 rooms
Location: Alabang, Manila

HOP INN Tomas Morato Quezon City Manila

Segment: Budget Hotel
Number of rooms: 167 rooms
Location: Quezon City, Manila

www.hopinhotel.com

Rental Property

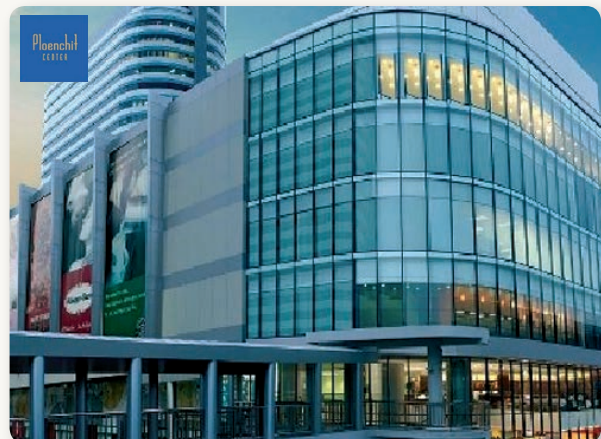


Erawan Bangkok

www.erawanbangkok.com

Retail Shops (up-scale): 6,554 sq.m.
Location: Ratchaprasong, Bangkok, CBD.

Property Management



Ploenchit Center

Owner: Prime Office Leasehold Property Fund
Managed: Erawan Commercial Management Co., Ltd
Building: 42,847 sq.m.
Location: Sukhumvit Soi 2, Bangkok, CBD.

Properties under Development

Thailand



HOP INN



Location : Bangkok
Branch : Bangna, Onnut and Krung Thonburi
Segment : Budget Hotel
Number of hotel : 3 Hotels

Philippines



Combo Hotel
Holiday Inn and HOP INN



Location: Metro Cebu
Branch : Cebu City
Segment : Midscale Hotel and Budget Hotel
Number of hotel : 2 Hotels



HOP INN



Location : Phetchabun, Nakorn Ratchasima 2, Nan, Mahasarakham and Chaiyaphum
Segment : Budget Hotel
Number of hotel : 5 Hotels



HOP INN



Location : Metro Manila, Metro Davao, Iloilo
Branch : Ortigas City, North EDSA City, Davao City and Iloilo City
Segment: Budget Hotel
Number of hotel : 4 Hotels

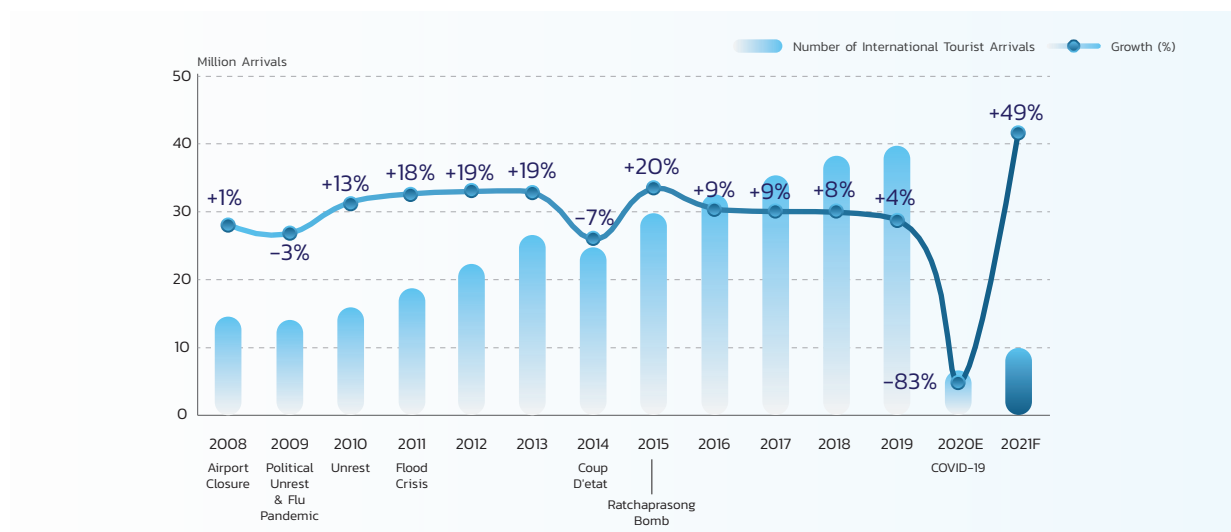
Tourism Industry Overview

The outbreak of COVID-19 has unleashed an unprecedented impact to the tourism industry around the world. Based on the latest figure released by the UN World Tourism Organization (UNWTO), number of international tourists in 2020 were down more than 74% YoY from 1.5 billion a year before to only 324 million. This was due largely to the cancellation of international flights and border closures by numerous countries. In addition, the world's tourism-based revenues are expected to tumble to US\$320 billion from US\$1.48 trillion the previous year. Amidst this economic crisis and the fact that the outbreak of COVID-19 remains ravaging in various countries, UNWTO foresees the international travel to resume its activity only in Q4/2021.

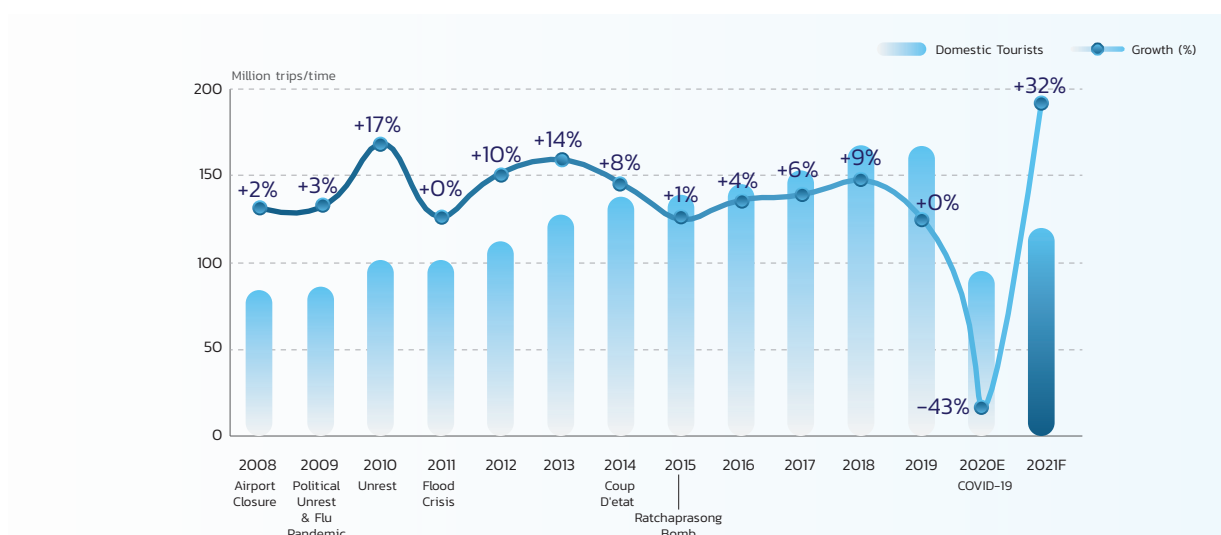
Thailand

According to the Tourism Authority of Thailand (TAT), Thailand's overall tourism industry's total revenue in 2020 will be around Baht 830 billion, of which Baht 330 billion would come from international market by 6.7 million foreign visitors while domestic travel market would generate around Baht 500 billion from 95 million Thai tourists/trip.

As soon as we entered 2020 in January, which the Chinese New Year fell on this month, the Thai tourism industry was facing the early COVID-19 situation, which known as China's Wuhan virus at the time. The result of this early outbreak means the Chinese tourists which was the main source market to the Thai tourism sector, cancelled their trip completely. As the COVID-19 outbreak rapidly spread to various countries all over the world, the World Health Organization (WHO) decided to declare that the outbreak is a global pandemic on March 11, 2020. In Thailand, the first patient tested positive for COVID-19 was reported on January 31, 2020, before the spreading went all over the country which leading the Thai government to declare an emergency and national lock-down effective from March 26, 2020 in order to keep the spreading of virus under control.



Source: Department of Tourism, Tourism Authority of Thailand, and Tourism Council of Thailand



Source: Department of Tourism and Tourism Authority of Thailand

The result was that business owners and workers in the tourism sector were impacted financially. The government then issued short-term measures to relieve those affected by the lockdown. This included, for example, Baht 5,000 cash support given for three months to temporary workers and freelancers not registered under the Social Security system; Social Security subsidy given to employees whose employers were to temporarily close their businesses and specific measures focusing on the tourism industry to stimulate travel following the lifting of the lockdown measure under the project named "Travel to Share Happiness." This was divided into two sub-projects, namely, the "Travel Together" (TTogether) with a total budget of Baht 20 billion, and the "Support" totaling Baht 400 million. So far, the "Travel Together" opened for the public to register and enjoy the subsidy as stated by the program has been extended up to April 30, 2021. In addition, the number of accommodations added into this "Travel Together" program has been increased from 5 million nights to 6 million nights.

On the international travel side, from the day the Thai government restricted international flights coming to the country in March 2020, there have been no foreign visitors entering Thailand. However, the Thai government has started to welcome specific groups of visitors such as businessmen, tourists seeking health services, Elite Card visitors and long-stay visitors, who however are subject to the compulsory 14-day quarantine in accordance with Ministry of Health's regulations. So far, inbound tourists from eight low-risk

countries, namely, China (22 provinces), Vietnam, Laos, Taiwan, New Zealand, Australia, Dubai and Macao, are allowed to enter the country. Attempts are made to offer the one-stop Amazing Thailand Plus Special Package providing services such as ticket reservation to visa application and immigration procedures to hotel and alternative state quarantine (ASQ) reservation. Additional rights and benefits are offered to quality investors with high purchasing power under the Elite Flexible Plus Program.

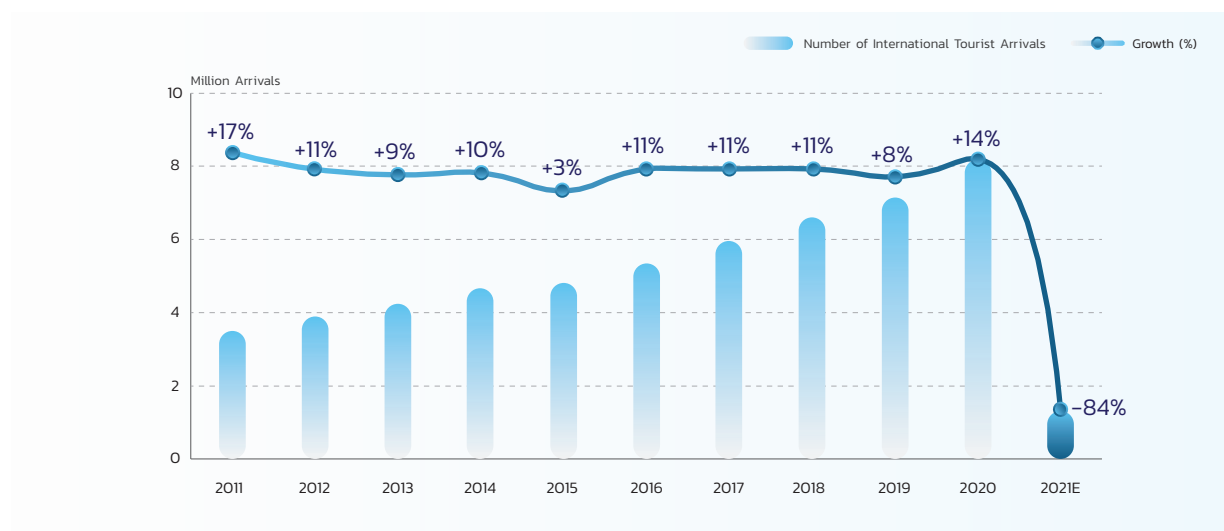
As for the direction of the Thai tourism industry in 2021, the TAT expects the tourism revenue to be Baht 1.2 trillion, of which Baht 500 billion would come from international tourism markets by 10 million inbound visitors starting from the second half of the year. The remaining Baht 700 billion would come from domestic travel market by 120 million tourists/trip. Meanwhile, a driving force of the local tourism industry would remain the Thai Travel Thai campaign. Local travelers are encouraged to travel and enjoy tax-reduction incentives while small and community enterprises such as elephant sanctuaries and local tourism companies are given tax subsidies. The Thai government is also considering extending the Travel Together program from the current deadline in April 2021 while tightening the scheme so that it can effectively be a smart tool to stimulate the Thai economy and local travel starting from Q1/2021.

Regarding the inbound tourism market, 2021 is witnessing some positive signs thanks to the development of the COVID-19 vaccine. In several countries, the vaccine had been given to their people since late 2020. Thailand has already made deposits for its vaccine lots, which are expected to arrive in early 2021. While this indeed is a great sign for the virus control, the tourism industry direction in Thailand and abroad remains vulnerable. As the industry is recovering, it depends mostly on local people and government measures to strengthen this recovery amidst short-term uncertainty and risk.

The Philippines

The Covid-19 outbreak did affect the global tourism industry as well as the Philippines. For years, the tourism sector has been a significant player helping the Philippines' s economy to prosper, generate robust employment and increase consumers' purchasing power. Yet, facing the COVID-19 pandemic, the Philippines economy was at risk. Based on the latest information from Ministry of Tourism of the Philippines, in 2020, tourism revenues fell 83.9% YoY to remain at 81.3 billion Philippine Peso from as much as 482

billion Philippines Peso a year before while the number of visitors fell 84% YoY to 1.32 million. The outbreak meanwhile remains ravaging in the Philippines, which prevents the country from inviting local travelers or international visitors to resume their travel. The Philippines themselves are worried about travelling, as most see their incomes dwindling, which means travel expenses become the least priority. Under this circumstance, the recovery of the tourism industry remains an uphill task. Government support is extremely necessary for the Philippines's tourism industry, which includes support for working capital and soft loans. Another important factor that could mitigate the business's plight and help them survive under the crisis will be the vaccination of the Philippines people. The Philippines government is currently negotiating with seven vaccine-producing companies in China and the western world in order to vaccinate its people in early 2021. However, the direction of the Philippine's tourism industry still mainly focuses on domestic travelers. It is expected that the local tourism will quickly recover after the coronavirus outbreak becomes weakening. Yet, its international tourism market may need longer time before it can witness its own recovery.



Source: The Philippines's DOT

Risk Factors

The Erawan Group Public Company Limited has systematically managed its risk where executives at the highest business unit of command oversee the risk as the owner with responsibility to analyze their risks and find solutions. Meanwhile, the Board of Directors is supervising and monitoring major risk management by determining risk management strategies and measures to accommodate possible impacts. Details are as follows.

1. Management risk resulting from the third-party dependency

One of the company's risk diversification policies is to select and hire international hotel operators taking into their credibility, reputation, experiences, operation systems and expertise in each country market and their financial stability. At present, Hyatt International, Marriott International and InterContinental Hotels Group are operating our hotels.

However, long-term hotel management contracts could contain certain risks that may jeopardize international competitiveness of these international hotel operators during a contractual period, which in return may affect our performance. As a result, The company has stipulated a clause to allow us to terminate the contract if the hotel operator's performance shows a materially negative and prolonged impact to the group's operation. The termination clause enables us to replace the current operator with another reputable and able firm. In addition, the group has strengthened its own hotel management team with expertise and experiences to operate hotels under a franchise contract. This is seen as a move to minimize impacts from having to solely depend on the third-party hotel operator.

2. Risk from increasing competitions due to lower demand and higher supply

The discrepancy between unrelated increase and decline of market supply and demand has created fierce competitions among hotel operators for a limited market share, which in turn affects revenues and operation profits. The company has tried to overcome this risk by focusing on building numerous types of hotels that cover various locations where the target and strategy is to seek potential lands locally and overseas at major tourism and business locations in order to minimize risk exposure to a specific type of hotels in a specific area. The ultimate goal is to ensure reliable performances and operation results.

In addition, the company has hired international hotel operators and also developed its own team, whose strength lies within its capability to answer to market demands where they are managing. These hotel operators have established their own customer base locally and overseas. They have also been through various situations that threatened their incomes and profits around the world, which thus strengthened their competitiveness. The company meanwhile continues to enhance its strength by renovating hotels and constantly controlling its expenses.

The company is also facing a structural disruption in a form of, for example, Airbnb, which operates on a sharing economic concept with much lower operating costs and therefore is attractive to certain groups of customers in the hotel sector. In response to this disruption, we strive to offer diversity by ensuring that our products cover all kinds of customers to offer them more alternatives.

3. Risk from external factors that may affect assets and operation

External factors affecting the company's assets and operations are something unpredictable and uncontrollable ranging from natural disaster to terrorism, local and international political unrest and the pandemic. However, all hotel properties of the company are covered under all risk, business interruption, and political violence insurance policies to cover the aforementioned impacts. The company also issues measures to help lessen the impact from these circumstances in a cascade manner based on the nature of the situation upon international standards.

These external factors do affect the number of inbound visitors, which directly impact our short-term and long-term revenues and profits, depending on the intensity and length of the situation. Our hotels, currently operated by international hotel operators, are equipped with a system that is flexible and agile, which relies upon the operators' hotel management experiences in unusual situations around the world. In other words, we are able to adjust our marketing strategies as well as cut or defer expenses quite quickly to ensure business continuity and minimize impact to incomes and profits.

4. Construction Risk

Since the company continues to build hotels, this means each investment opportunity is exposed to risk from construction standards, construction periods and costs of construction. The company however takes into consideration safety and possible impacts and therefore is adamant to hire only experienced and qualified contractors, who display construction standards as required by the laws. In addition, a specialized team with knowledge and expertise is tasked to audit and monitor construction standards as well as to estimate construction time before the project starts with constant monitoring. The company usually assesses a situation together with senior executives to see if there is a need for any prevention and mitigation measure in each situation. In addition, we reach out to several material manufacturers and contractors to stimulate pricing competitions and also to update our cost database for monitoring its trends for doing cost estimates of future projects. However, as the company is aware of the risks of any unexpected events during the construction period, Contractor's All Risks Insurance is procured for all projects to mitigate such risks.

5. Risk from International investments

The company plans to invest hotels overseas, which exposes us to risks from exchange volatility, changes of investment values, legal and regulatory requirements concerning hotel operation as well as application processes of various permits. To mitigate this risk, we have implemented measures that enable us to closely monitor overseas investment projects. This is done through due diligence and detailed investment planning, natural currency hedging and hiring of experts in countries where we will invest to minimize the operation risk within the target countries.

6. Risk from interest rates and liquidity

The company has managed the interest risk resulting from future changes of market rates that may affect our operation and cashflow by executing a long-term contract in which the interest rate is fixed at 18%. The company also constantly monitors the interest rate and hedges this risk to strike a balance between financial costs and protection expenses from the interest risk.

In addition, the company constantly plans, monitors and evaluates liquidity. In this regard, we have planned to access financial resources in normal circumstances as well as during unusual situations where we may be affected from operation downturn.

7. Human Resources Risk

Human Resources development and management remains our priority. This includes introducing talents into every level of operation. In addition, we come up with a succession plan of President, which is supervised mainly by a committee tasked to develop senior executives and determine their remunerations. For other management positions, the company has implemented a 3-layer succession plan from Executive Vice President to Vice President level. As a professional company managed by management professionals and governed by an effective operation system, the distribution of decision-making authority therefore is clear-cut. The management structure is designed to reduce risk and impact from loss of high-level executives. In addition, an employee engagement survey to the organization has been made so that the outcome could be used to strengthen staff's contribution to the firm.

In addition, key corporate cultures including “Team spirit” and “With integrity”, will also attract capable professionals with integrity to join the company. Lastly, competitive compensation and benefits, bonus scheme which links to corporate strategy map as well as long term stock option plan for executive management and employees also creates commitment and loyalty to employees which will help them to work more efficiently. This compensation structure will also help to retain quality employees with the company.

8. IT Risk

Since our database is extremely pivotal for our competition and yet this data is prone to the destruction, hacking, cyber attack, unauthorized access and modification as well as leakage of its confidentiality, we have invested in the operating system (OS) to keep it updated and to guard against potential leakages to ensure effective business continuity. We have also established the Data

Protection Committee to supervise personal data security and to build up confidence in relation to compliance with the Personal Data Protection Act.

9. Environmental Risk

In 2020, we were involved in ongoing construction projects as well as completed ones that may generate impact to communities within proximity. We plan to conduct the environment impact assessment (EIA) to assess positive and negative impacts before a project starts in order to minimize, to keep the impacts under control before a project starts and to comply with the Enhancement and Conservation of National Environment Quality Act, B.E. 2561 (2018). In this regard, being aware of the impact from our operation, we take into account social, community and environmental responsibility and our corporate image.



Holiday Inn Pattaya : Executive Tower

ESG Report



HOP INN Aseana City Manila, Philippines

CG Awards

Recognition 2020

- "Very Good" CGR Report 2020 by Thai Institute of Directors (IOD) in collaboration with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission, Thailand (SEC)
- "Excellent" AGM Assessments Program 2020 by Thai Investors Association.
- Certifies as The Member of Thailand's Private Sector Collective Action Coalition Against Corruption's (CAC) on 30 June 2020 with a certified period of 3 years.
- "Thailand's Top Corporate Brand Value 2020" by Faculty of Commerce and Accountancy of Chulalongkorn University

Recognitions 2005-2019

Board of the Year Awards

- Board of the Year for Distinctive Practices 2006/2007

Corporate Governance Report of Thai Listed Companies (CGR Report)

- "2nd Quartile" Year 2005 (Top rating = 1st Quartile)
- "Very Good" Corporate Governance Rating 2006
- "Very Good" Corporate Governance Rating 2008
- "Excellent" Corporate Governance Rating 2009
- "Excellent & Top Quartile" Corporate Governance Rating 2010-2013
- "Very Good" Corporate Governance Rating 2014-2019

AGM Assessments Program

- "Good" AGM 2006
- "Very Good" AGM 2007
- "Excellent" AGM 2008-2009
- "Excellent recognized as Good Example" AGM 2010
- "Excellent" AGM 2011-2019



SET Awards

- SET Awards 2009, 1 in 3 Nomination to “BEST IR Awards”
- SET Awards 2010, “Outstanding IR Awards” and Nomination to “Excellent CGR Awards”
- SET Awards 2011, Nomination to “Excellent CGR Awards”
- SET Awards 2013, “Most Improved” CSRI Recognition and “Best Investor Relations Awards”
- SET Awards 2014, “Best Investor Relations Awards”
- SET Awards 2015-2019, “Outstanding IR Awards”

The Collection Action Against Corruption (CAC)

- Declaration of Intent in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on October 30, 2019
- Full Member of the CAC (Certifies that the company to declaration on anti-corruption by putting in place good business principles and control against briber).
- Level 4 “Certified” Anti-Corruption Progress Indicator Completed. Project Sustainable Development by Thaipat Institute and The Securities and Exchange Commission (SEC)

Environmental Social and Governance (ESG)

- “ESG100 Companies” Certified of Environmental Social Governance Company of the year 2015, 2017-2019 are recognized for its outstanding sustainability performance by Thaipat Institute and the Securities and Exchange Commission, Thailand (SEC)

Thailand's Top Corporate Brand

- “Thailand's Top Corporate Brand Value 2019” in the tourist & leisure sector by Faculty of Commerce and Accountancy of Chulalongkorn University

Asia Recognition Awards

- “The Best of Asia 2012/2013” of the Corporate Governance Asia Annual Recognition Awards by Corporate Governance Asia, the leading Asian journal in Corporate Governance

Thailand Corporate Excellence Awards and SMEs

Excellence Awards

- Thailand Corporate Excellence Awards 2016 (Market Capitalization 10,000 million Baht/year) by Thailand Management Association (TMA) and SASIN.



Novotel Bangkok Sukhumvit 4 : Lobby



Novotel Bangkok Sukhumvit 4 : roof top bar

Corporate Governance Policy

The Erawan Group Public Company Limited has conducted the business based on the Corporate Governance Principle by focusing on a law-abiding operation and adhering to morality and business code of conduct where the information is disclosed in a transparent and straightforward manner. We also established the internal control system and auditing mechanisms to ensure that our operations are effective and efficient. We operate the business by taking into account our responsibility in every aspect to shareholders and stakeholders. The Company Board of Directors' structure, that stipulated 36.36% of total number must be independent directors, was consist of 4 sub-committees in order to supervise the management in details.

With regard to the corporate governance, The Erawan Group has set up the Nominating and Corporate Governance Committee (NCG) to establish, review and update the corporate governance policies and practices to ensure that the company have the management standard and guidelines which can be actually and appropriately implemented under the President's supervision. The established corporate governance practices was divided into 8 areas and, for more effective, it was used as one of the factor of the staff's annual performance appraisal.

The Erawan Group has emphasized the staffs' understanding on the concept of Corporate Social Responsibility where business is run by properly taking into consideration the interest of all stakeholders whether they are employees and family, customers, suppliers/creditors, competitors, public sector, society and environment and has appointed the responsible unit to monitor and conduct an opinion survey of stakeholders regularly. In 2015 and 2017-2019 the Erawan Group was certified as an ESG100 Company are recognized for its outstanding sustainability performance in the tourist & leisure sector in Thailand by ThaiPat Institute and the Securities and Exchange Commission, Thailand (SEC) and cerified as The Member of Thailand's Private Sector Collective Action Coalition Against Corruption's (CAC) on 30 June 2020

Corporate Governance can be divided into eight areas as follows:

1. Code of Conduct

The Erawan Group have announced a policy to conduct our business based on the principles of good corporate governance. We combined the best practices and the Code of Conduct, which not only were in line with our corporate strategy, but were also practicable, into our Code of Conduct manual. The manual was updated in 2014, which was indeed a significant move based on our motto of "Success with Integrity". The updated Code of Conduct has been distributed to executive officers and staffs for implementation to ensure our success with integrity and also to promote our corporate culture and ethical performances. Our Code of Conduct is now posted in our website at www.TheErawan.com, a mechanism to ensure that our directors, management and staffs commit to their responsibilities to all stakeholders.

2. Qualifications, Structure, Duties and Responsibilities of the Board and the Management

Not only qualifications of our directors are in line with the SET's requirements but they are also much more intensive. Director's term of office is three years each term with clear scopes of work and with power being balanced between non-executive directors. The Board of Directors consists of 11 members - the Chairman of the Board who is a different person from the President where their roles, authority and responsibilities are clearly separated to maintain balance between managing and supervising function, 4 Independent Directors, 6 Non-executive directors and 1 executive directors.

The Board has appointed 4 different committees to clearly define duties and responsibilities and also has a rotation policy among directors to sit at different committees for appropriate timeframe and on appropriate occasions. Chairman of the committee is responsible for submitting a clear-cut policy of his committee to the Board. Every committee must appoint a secretary, who will coordinate with directors and the management to ensure that the policy was applied in action and record minutes of meeting in writing.

The Committees are as follow:

The Audit Committee (AC): The Audit Committee consists of 3 independent directors who must have sufficient knowledge on accounting, finance and nature of company business in order to be responsible for reviewing the company's financial statements and its internal control system and monitoring the company's risk management practices on a regular basis. The Audit Committee's responsibilities are also to review the independence of the company's Internal Audit Unit, to approve the appointment, transfer or termination of head of unit who works as its secretary, to review the legal compliance, to select, appoint, remove and propose an auditor and auditor's fees and to review and disclose information about connected transactions to meet the criteria in an accurate and transparent manner.

The Strategic and Investment Committee (SIC): The Committee consists of 8 members and is responsible for considering and formulating the business plan and long term strategy of the Company, supervising and approving the investment projects and divestment transactions as set out in the Company's master plan. The Committee's responsibilities shall include a preliminary approvals of project feasibility, financial returns, and review of risks associated with the project, financial structure and source of financing and giving the recommendation to management in relation to business opportunity.

The Nominating and Corporate Governance Committee (NCG): The Committee consists of 3 members and is responsible for reviewing the structure of the Board, setting qualifications of a particular position, reviewing and recruiting experts to become our directors as well as assessing the Board's performances and other committees appointed by the Board. The Nominating and Corporate Governance Committee also oversee that directors, executive officers and staffs of all levels will comply with the Good Corporate Governance practices and Code of Conduct.

The Management Development and Compensation Committee (MDC): The Committee consisting of 3 members and is responsible for proposing development policies, assessing knowledge and skills of and compensations to the Executive Management, writing the executive management's succession plan and reviewing the company's HR development policy.

3. Qualification of Directors

(Please see details at Our Shareholders and Management page 31)

4. Rules and Responsibility of the Board of Directors and the Management

The Board of Directors determines policies and practices for the management, which include important tasks of an executive. In addition, the Board also allows the management to formulate a management policy based on the Company's objectives and missions, which will be subject to the Board's approval.

The Board of Directors also sets to have the meeting of Independent Directors, and the meeting between the directors and senior executives without the top management's presence

5. Board of Directors' Meeting

The Erawan Group set a number of both the Board of Directors' meetings and those of other committees. The meeting dates of the entire year should be communicated to the directors and related persons in advance. In addition, an agenda should be set to allow the independent directors freely exchange ideas at the Board of Directors' Meeting without the presence of President or the top management.

In 2020, The Erawan Group organized 11 the Board of Directors' meetings, 4 the Audit Committee's meetings, 6 the Strategic and Investment Committee's meetings, 2 the Nominating and Corporate Governance Committee's meetings and 2 the Management Development and Compensation Committee's meetings. Minutes of each meetings were recorded in writing and kept at the Office of the Company Secretary and on a data server so that officers can conveniently access the database. Times of Directors' Attendance to the Meeting in 2020 is as the following details:



JW Marriott Bangkok : NAMI Japanese Restaurant

Times of Director's Attendance to the Meeting in 2020

Name	Title	Term	Times of attendance/Number of total attendance				
			Board of Directors	Audit Committee	Strategic and Investment Committee	Nominating and Corporate Governance Committee	Management Development and Compensation Committee
1. Mr. Chanin Vongkusolkit	Chairman of the Board	27 Apr 2018-Present	11/11				
	Director	Apr 2019-2022					
2. Dr. Kulpatra Sirodom	Independent Director	Apr 2020-2023	11/11	4/4			
3. Mr. Ekasith Jotikasthira	Independent Director	Apr 2020-2023	11/11	4/4		2/2	
4. Assoc. Prof. Somprawin Manprasert	Independent Director	Apr 2018-2021*	11/11	4/4			
5. Mr. Banyong Pongpanich	Independent Director	Apr 2019-2022	11/11				2/2
6. Mr. Supol Wattanavekin	Director	Apr 2018-2021*	11/11			2/2	
7. Mrs. Panida Thepkanjana	Director	Apr 2020-2023	11/11				2/2
8. Mrs. Arada Vongkusolkit	Director	Apr 2020-2023	11/11		6/6		2/2
9. Mr. Gavin Vongkusolkit	Director	Apr 2019-2022	11/11		6/6	2/2	
10. Mr. Kasama Punyagupta	Director	Apr 2018-2021*	11/11		6/6		
11. Mr. Petch Krainukul	Director	Apr 2018-2021*	11/11		6/6		
	President	1 Jan 2018-Present					
12. Mrs. Vansamorn Wannamethee	Member of Sub-Committee	Jun 2018-2021			6/6		
13. Mr. Nattapong Vongkusolkit	Member of Sub-Committee	Jun 2018-2021			5/6		
14. Mr. Supatchara Wattanavekin	Member of Sub-Committee	Jan 2021-2024			6/6		
15. Miss Punnaporn Thepkanjana**	Member of Sub-Committee	Jul 2020-2023			5/5		
Percent of directors' attended			100%	100%	97.87%	100%	100%

Note: * the reappointment of all four directors to act as the directors for another term is proposed to the Shareholders' Meeting on April 27, 2021.

** Miss Punnaporn Thepkanjana was appointed on July 29, 2020.

6. Evaluation of the Board's Performances

Our Board of Directors is subject to an annual performance evaluation. To comply with the principle of good corporate governance for listed companies, the Board of Directors and sub-committees are having a self-evaluation at least once a year so that they could review and improve their own conduct. The evaluation is based on the latest forms developed by the Corporate Governance for Capital Market Department of the Stock Exchange of Thailand (SET) released in February 2015, which is applied to suit our business nature and to cover performances of the Board of Directors and four sub-committees. The forms we have used consist of the following:

1. Evaluation form of the Board of Directors' performance to evaluate the entire Board.
2. Evaluation form of four sub-committees of:
 - 2.1 The Audit Committee (AC)
 - 2.2 The Strategic and Investment Committee (SIC)
 - 2.3 The Nominating and Corporate Governance Committee (NCG)
 - 2.4 The Management Development and Compensation Committee (MDC)
3. Evaluation form of Self- assessment

As for the Board of Directors' evaluation performance in 2020, the board members agreed with the structure of the board and its components that they were appropriate and that members were independent enough to create a right check and balance. The directors did understand their roles and responsibilities, were independent when making a decision without being dominated

by anyone. They performed their duties with responsibilities to maximize the interest of shareholders. They did have a good relationship with the management and could frankly communicate with executives. They were properly exposed to both self-development and executive development processes that allowed them to adequately understand the nature of the business.

7. Nomination of Directors and Executives

The Board entrusts the Nominating and Corporate Governance Committee to draft a clear nomination policy and process for the selection of directors. This refers to a process to initially check a nominee's qualifications to ensure that his/her is in compliance with director's qualifications; a selection and courting process of a nominee to be our director; a nomination process to the Board or shareholders and a reviewing process of director being re-nominated. An individual evaluation of a director's performances while in the office will be used to support the consideration.

Furthermore, the selection was independently conducted without being subject to anyone's influence. The management conducted a two-hour orientation session and arranged for a management team to meet the new director so that he learned about the company, got access to corporate information and strategic plans.

The Board designated the Management Development and Compensation Committee to recruit and formulate a succession plan of executive management, to ensure continued performances and to avoid business disruption.



Grand Hyatt Erawan Bangkok: Salvia



CSR – in process

which takes into consideration all groups of Stakeholder



8. Corporate Social Responsibility (CSR)

The Board of Directors has formulated several business strategies and also has a strong determination to develop a sustainable business through the nurturing of internal CSR mentality. Known internally as the “CSR-in-process,” the mechanism refers to our responsibilities to all stakeholders; namely, shareholders, employees and families, customers, suppliers, creditors, competitors, public sector, the communities, the society and the environment. In addition, the Board of Directors has also set aside budget to conduct corporate contribution activities (CSR-after-process). The project is called “The ERAWAN for Society and the Environment” which involves annual activity programs on a continuous basis for the benefit of communities and the society at large.

In addition, we have benefited from the development of a process aimed to enhance the CSR concept by taking into consideration the interests of all stakeholders. Aside from creating values to the society, as a company, we have benefited from the fact that it keeps us run our business on a fair practice, allows us to support trade competitions and liberation and prevents us from doing anything considered a conflict of interest and intellectual property infringement and leads us to oppose all forms of corruption (For more information, please go to the Anti-Corruption Policy, the Anti-Money Laundering and Countering Financing of the Terrorism Policy and the Sustainable Development Policy.). In addition, it also helps preparing us for the ISO37001 anti-bribery management system and makes us consider human rights, fair labor treatment as well as community, social and environmental development under the CSR-in-process concept as our practice with all groups of stakeholders. (For more information, please go to “Code of Conduct” on our website.)

Duties and Responsibilities of the Board to Shareholder

The Board of Directors takes into consideration shareholders’ rights without limiting only to their fundamental rights as stipulated by laws. This refers to their rights to trade or transfer shares, to share the company’s profits, to adequately receive the company’s information, to attend meetings to vote at shareholders’ meeting in order to either appoint or remove directors and to appoint or remove auditors and discuss important matters affecting the company. In this regards, important matters can range from allocating dividends to formulating or amending rules and regulations and the Memorandum of Association, increasing or reducing capital and approving special transactions. The Board of Directors also supervises to ensure that meeting’s time, date, place and meeting agendas are given to shareholders, that relevant documents and information required for making decisions at a meeting are available to shareholders, that shareholders are notified of applicable rules at the meeting, that voting procedures are not too complicated and that a meeting location is convenient and not expensive for shareholders to attend the meeting.

The Board of Directors has allowed shareholders to propose agendas of the Annual General Meeting of Shareholders in advance prior to the meeting date. Clear rules and regulations in doing so have been posted in the company’s website to facilitate shareholders. Shareholders may submit a document to propose potential meeting agendas in advance every year. The Board encourages shareholders to use Proxy Form B so that shareholders can determine a voting direction as there are names and information of four Independent Directors who can be alternative proxy for shareholders. In addition, the information must be posted in the Company’s website at least 30 days prior to the meeting. Documents must also be sent

to shareholders in advance enough for them to study prior to the meeting. During the Meeting, the Company treats every procedure equally. No agendas are shortened, deleted or alternated. This is especially the case of an agenda to appoint directors where shareholders are entitled to vote for directors individually upon enough information. All ballots featuring yes, no and abstention votes are duly kept as evidence. At the Annual General Meeting of Shareholders for the year 2020, no voided ballot.

At every shareholders' meeting, Chairman of the Board, Chairman of the Committees, Directors, the Chief Executive Officer (CEO) and the President attend the meeting to allow shareholders to express their views and ask questions about relevant matters to the meeting. The Chairman, Chairman of the committee, Directors and Management attended the meeting to allow shareholders to ask questions in an adequate fashion, which however did not delay the meeting. In addition, Q&A sessions, resolutions adopted at the meeting and votes received at each agenda were properly recorded in writing in the Company's minutes of meeting and posted at the Company's website within 14 days from the shareholders' meeting date.

Aside from the Board's responsibilities to shareholders as mentioned above, the Board also formulates a Corporate Social Responsibility policy, which includes responsibilities to shareholders as follows.

Responsibilities to Shareholders

1. To manage the Company in a way that will turn it into a quality corporation committed to integrity while creating sustainable strength and growth for shareholders in the long run.
2. To perform our job with thorough care and competency as a business may do under the same situation.
3. To perform our duty with integrity and to fairly treat both major and minor shareholders for the benefit of all relevant parties.
4. To manage the Company's properties in a manner that avoids their depreciation.
5. To report the Company's status and operation results regularly, accurately and completely based on existing facts.
6. To prevent the Company's confidential information from being improperly disclosed to the third party.
7. To avoid doing anything that may lead to a conflict of interest against the Company without any advanced notice.
8. To respect the rights and to equally treat all shareholders, whether they are executive or non-executive shareholders, and foreign shareholders.

Responsibilities to Investor Relations

We set up the Investor Relations Survey (IR Survey) Department as a center to provide complete company information to retail and institutional investors, shareholders, analysts and the public sector. Contacts can be made directly at the Company's office or visit us at www.theerawan.com. Inquiries can also be made through IR@TheErawan.com.

Responsibilities of the Right to Access Information of Stakeholders

We give all stakeholders an access to information. We also determine guidelines and practices for our executive officers and staff to encourage their fair and equal interactions with all stakeholders. We also allow stakeholders to directly contact the Board, the Audit Committee and the Nominating and Corporate Governance Committee for their valuable suggestions that will not only benefit but also add more values to our management at our office, No. 2, Ploenchit Center Building, 6th Floor, Sukhumvit Road, Klongtoey District, Bangkok; or at the Office of Corporate Governance, email: GCG@TheErawan.com. All information is treated confidential and will be directly forwarded to the Board.

Responsibilities to Employees and Families

1. To determine an appropriate structure of remunerations in line with market rates, staff's competency and responsibilities and their work performances through three levels of strategic assessments; namely, corporate strategy, department strategy and division strategy. The Competency Skill Behavior Assessment will be carried out in a 360-degree manner where supervisor will assess supervisees and vice versa and where everyone will have a self-evaluation at all levels.
2. To provide appropriate welfare and other benefits such as accident insurance to staff and executives working out of the office, health insurance and allowances for healthcare services as an out-patient, annual health check-up and coffee corner for staff.
3. To ensure staff's understanding about their professional roles and responsibilities as well as their career goals, to provide an opportunity for staff to grow professionally and to acknowledge and recognize staff's work.
4. To award and punish on the basis of righteousness and integrity.
5. To ensure workplace safety, health and sanitation.

6. To have a clear and efficient working system that allows staff to exercise their knowledge and competency while supporting their knowledge enhancement and recognizing their participation role.
7. To promote the Code of Conduct to staff to help them duly understand and fully comply with the practices.
8. To comply with all the rules and regulations relating to labor laws and staff welfare.
9. To avoid action considered unfair and illegitimate that may affect staff's advancement and job security while respecting an individual's rights.

Responsibilities to Customers

1. To set up a fair and appropriate pricing policy
2. To treat all business deals equally without treating anyone more favorably where every deal is considered conducted on an arm's length basis.
3. To procure and improve the procurement process considered appropriate and meeting business conditions.
4. To execute a fair contract with customers. (without depriving a customer of his benefits)
5. To disclose related and beneficial information accurately, completely and in time without any distortion.
6. To keep customer's confidential information as if it is the Company's own information and not using it for one's own benefit.
7. To refrain from demanding, receiving or offering any benefit that is dishonest or over the standard of business conduct and ethics that may motivate an unrighteous decision making.

Responsibilities to Suppliers and Creditors

1. To offer a fair competition environment where the procurement and hiring process of goods and services is carried out properly, transparently and efficiently. This will include finalizing price negotiations, making quotations, bidding methods, special methods and procurement methods for government agencies and state enterprises. Questionnaire will be regularly issued to ask for opinions about the Company's bid participation in order to regularly improve its procurement and hiring process of goods and services.
2. To avoid specify a particular product or choosing a particular product intentionally unless otherwise there is an enough reason to do so. In case of change of products or specifications of the product, suppliers must be informed.

If necessary, a new price quotation must be submitted. An original supplier must be given an opportunity to equally offer his quotation.

3. To choose a quality supplier who is really interested in doing the job. Avoid inviting suppliers just to have enough participating suppliers as stated in a regulation. All bidders are to receive the same written details, information and conditions. If notified verbally, they shall receive a written confirmation later.
4. Executives or staff involving in the procurement or hiring process must disclose information and/or their personal relationship as well as that of their spouses or closed relatives or a personal relationship with a particular bidder that may directly result in an opaqueness of their job. They shall also exercise their responsibility by not attending a decision-making process when a particular supplier is chosen.
5. To avoid accepting or giving of items, gifts or other benefits including service, facilitation or entertainment with creditors/ partners which exceeded the general business practices that may influence or motivate an unfair decision making and treatment.
6. To prepare a fair contract and to comply with an agreement executed with suppliers and creditors. In case the Company is unable to comply with its contract, negotiate with suppliers/ creditors without delay to find a solution and to prevent further damage.
7. To refrain from doing anything that will prevent suppliers from paying tax to the state.
8. To disclose related and beneficial information accurately, completely and in time without distortion.

Responsibilities to Competitors

1. To act within the framework of decent competitions
2. To avoid dishonest seeking of competitor's confidential information or doing on inappropriately manner
3. To refrain from trying to ruin competitors' reputation by accusing them under the false information.
4. To cooperate and reinforce business potentials for a sustainable growth, collaborate to ensure safety and public order of public areas in the neighborhood and join in the problem's solving action in order to lessen an impact on business.

Responsibilities to the Public Sector

1. To abide by the government's policies, relevant laws and regulations.
2. To promote the constitutional democracy with the King as Head of state.
3. To conduct the business with an accountability, support the activities held by public sector and other organizations for social and community benefits.
4. To refrain from doing anything that may damage the community, the society and the country.

Responsibilities to the Communities, the Society and the Environment

1. To refrain from doing anything that will damage natural resources and the environment.
2. To support activities initiated by both private and public sectors that will render social benefits regularly.
3. To create and promote the awareness among staff of all levels in our responsibilities to the communities, society and environment.
4. To approve the budget of not more than 0.5 percent of net profit to pursue to Project; "The Erawan for the Society and the Environment" and "Happy Home Happy Stay"

Compliance with Corporate Governance and the Business Code of Conduct

The Erawan Group considers that it's the responsibility of directors, executives and all employees to acknowledge and perform their duties diligently. It's the duty of the Nominating and Corporate Governance Committee to have directors, executives and employees at all levels comply with the corporate governance best practices and the Business Code of Conduct. The secretary will help coordinating, following up with results and reporting the practices so that information can be disclosed to shareholders through both internal and external channels.

Executives Ethical Standards and Best Practices for Employees

Erawan have set out Executives Ethic Standards and Best Practices for Employees. These practices must be followed. Penalties will be enforced in case of violation or intended violation.

Executives Ethical Standards

1. Keep confidential information secret and refrain from disclosing any information considered confidential to the third party without proper authorization.

2. Those directly involved with financial information and/or other information which may affect the Company's securities price are prohibited to trade the Company's securities during a 30-day period prior to the disclosing date of the Company's operation or the reporting date of its business to the Stock Exchange of Thailand and the Securities and Exchange Commission.
3. The first four executives succeeding the President and the Head of Accounting Department shall submit the changes in securities and derivatives holding report within 3 working days in accordance with the SEC's requirements.
4. Refrain or avoid expressing any opinion to the third party or the press in any matter related to the Company without proper authorization.
5. Avoid using one's position and/or information acquired as a result of duty to seek interests for oneself or others.
6. Refrain from doing anything or participating in any action or covering anything that might lead to a conflict of interest or that prevents one from performing his duty with fairness or refrain from participating in any illegal cover-up operation.
7. Not demanding and accepting gifts, favors or any benefits from business partners, vendors or any third parties who related to the company business unless on appropriate occasions and the gift with a monetary value not exceeding 3,000 baht. In the event that refusal to accept gifts or other benefits is not appropriate, the disclosure of acceptance should be done and the gifts must be delivered to Good Governance Office.
8. Those involving in negotiating a business deal worth more than One Hundred Thousand Baht are required to reveal his personal relationship and a couple and closed relatives according to the personal relationship disclosure form before submitting it to the Good Corporate Governance Center as an expression of opinion to the President and avoided using mobile phone and at least one employee should be presented in such negotiation.
9. Any negotiation relating to the bidding shall be discussed at the Company's premise only unless it is necessary where the Good Corporate Governance Center shall be notified in advance and at least one representative from the Bidding Committee shall attend such negotiation.
10. Avoid using or giving any information or indicating any detail about the operation which may prompt any one or several bidder or bidding party to be more advantageous when submitting the tender.

Best Practices for Employees

1. Perform one's duty with honesty, fairness, responsibility, commitment and enthusiasm by taking into consideration the Company's interests.
2. Perform one's duty conscientiously; seeking ways and means to improve one's performance for higher efficiency.
3. Use the Company's properties for its full benefit; take care to ensure that they are not depreciated or lost; do not use the Company's properties in any useless meaning to the firm; do not use them for the interest of one's own or of others.
4. Employees are prohibited to participate in any action, or to conceal any action that may possibly lead to a conflict of interest with the Company, or that may prevent employees from fairly performing their duties, or that may lead them to participate in covering any illegal action.
5. Encourage a team work spirit by providing cooperation and assistance to each other for the benefit of the Company's business.
6. Supervisor must perform his duties to the respect of his supervisees whereby he shall become their role model.
7. Treat supervisor with respect; treat colleagues with care and respect of other people's integrity.
8. Pay attention and do everything to ensure that the workplace remains safe and has a good environment.
9. Employees are prohibited to unduly use the Company's information acquired during their performances for their interest or for the interest of others.
10. Keep the Company's confidential information; ensure that no secret document or information is leaked or fell into non-relevant parties which may damage the Company.
11. Refrain or avoid expressing opinions to the third party or the press in any matter relating to the Company if one has no authority to do so; this shall include any matter that may affect the Company's reputation and operation.
12. Not demanding and accepting gifts, favors or any benefits from business partners, vendors or any third parties who related to the company business unless on appropriate occasions and the gift with a monetary value not exceeding 3,000 baht. In the event that refusal to accept gifts or other benefits is not appropriate, the disclosure of acceptance should be done and the gifts must be delivered to Good Governance Office.
13. Do not claim others' work as one's own.
14. Do not use one's title or position to seek the interest for one's own or for others.
15. Do not do anything that may damage the Company's image and reputation.
16. Notify relevant agencies and the Company's executives should one find that there is an unusual operation or illegal action going on within the Company.



JW Marriott Bangkok : TSU Japanese Restaurant

Anti-Corruption Policy

The Erawan Group Public Company Limited “ERAWAN” conducts our business based on the Corporate Governance Principle. We have formulated an anti-corruption policy against all forms of corruption likely to emerge from our operations and contacts with stakeholders which directors, the management and employees of the Company, our subsidiaries and associated firms are required to strictly comply with.

Corruption as defined by the anti-corruption policy

Corruption means bribery, using of title, responsibility and/or information derived from work performed for the company to render the benefit to one's self, his/her alliance and/or other parties in order to directly and indirectly acquire an improper assets or benefits in business transaction or any illegitimate interest for oneself including any action found conflicting with the Company's Code of Conduct. Exception shall be applied in case of laws, regulation, statement, custom, or business traditions enable to do so.

Corruption is possibly expressed through the following 4 course of actions

1. Political Contribution – a contribution made in form of money or items for the political purpose or an encouragement of the company to have its staff participating in any political activities under the name of the company, in order to seek an business advantages. This, however, excludes the case where the staff is willing to participate in such political campaigns or activities on the basis of democratic right.

Erawan has adopted a policy of political neutrality in conducting the business. We will neither align or attach to the politics or professional politician of any party nor donate our funds or other forms of assistance for political purpose as defined in paragraph one for the benefit of our business.

2. Charity donation – a financial contribution made for religious, educational and public interest purposes and etc. that may lead to the risk of corruption since the activity relates to a payment without any tangible returns. Such the activity can become an excuse or a means of corruption. To avoid the hidden purpose on any charitable contribution, Erawan has established a policy, criteria, review process and control details on a charitable contribution as follows.

2.1 Must be proven that the project actually exists and the action has been taken to support the achievement of the project's objectives and bring about genuine social benefits.

2.2 Must be proven that the contribution is irrelevant to reciprocal return with anyone or any organization, however, such return will not include an action of honor announcement as normal business practice such as displaying the logo, mentioning the name at the event or on PR media etc.

3. Sponsorships – a financial contribution made for the promotional purposes on company business, logo or reputation that may lead to the risk of bribery since such money is paid for service or benefits which are difficult to measure and monitor. The sponsorships could be related to the bribery, hence, Erawan has established a policy, review process, control details and assessment methods on sponsorships as follows.

3.1 Must be proven that the requestor for sponsorship has actually run the project and the actions have been taken to support the achievement of the project's objectives and bring about genuine social benefits.

3.2 Must be proven that the sponsorship or any form of benefits which have monetary value, such as the offering of accommodation and food, are irrelevant to reciprocal return with anyone or any organization, however, such return will not include an action of honor announcement as normal business practice.

4. Gift, Hospitality and Expense - the expense that occurred and related to the special occasion, tradition or business manners which may lead to the risk of fraud or corruption, hence, Erawan has established a policy and criteria on giving or accepting gifts to ensure that the company strictly complied with the tradition and normal business manners.

Whistle blowing and controlling measures

Should anyone come across or doubt over the violation of the Code of Conduct or relevant rules, laws and regulations, the Company has set up an independent unit to review details informed by such whistleblower who may either be an internal employee or an external party through the following process for the purpose of fact-finding:

1. Fact-finding process: Erawan has set up a grievance-filing channel on its website, through the annual report under the topic of corporate governance statement and also through Code of Conduct. Our fast and systematic fact-finding process refers to the following:

- 1.1 Sufficiency and clarity-details of what is revealed or filed must be true and/or enough to conduct an investigation.
- 1.2 Materiality-as for tips or grievance found to contain materiality, the person receiving the grievance will submit the matter to the Disciplinary Action Committee whose members consist of the Compliance Unit, the HR Unit, the department in which the person being the subject of such grievance is working and the unit in which the whistleblower or the person filing the grievance (in case of an employee) is attached to in order to conduct a further investigation for fact-finding purpose.
- 1.3 The whistleblower or the person filing the grievance will be equally protected whether he is an employee or the third party.
- 1.4 The whistleblower or the person filing the grievance may choose not to reveal his name, address or contact number unless he feels that such a disclosure will enable Erawan to inform him a progress, to inquire him additional information that could be beneficial to the case, to notify him the facts or to relieve him from damage in a quicker and more convenient manner.

2. Fair treatment process: the Disciplinary Action Committee will review the case on a fair basis and will protect the whistleblower or the person filing the grievance, the person handling the grievance, the person subject to such grievance and parties involving in the fact-finding and reporting process. Information will be kept confidential and only be revealed when necessary while we will take into consideration safety and damage of the whistleblower or the person filing the grievance, the person subject to such grievance or those cooperating in the fact-finding process, source of information or other related persons where everyone will sign a pledge together.

3. Reporting process: The Disciplinary Action Committee has a duty to directly report the facts of the matter to the President and/or the Audit Committee and/or the Board of Directors, depending however on what has happened where it will be upon the Committee's discretion to decide to what extent it is appropriate to present the report to a responsible person where Erawan has stipulated the following as a framework:

- 3.1 To the President if it's about general management and the matter is under the President's supervision;
- 3.2 To the Audit Committee if it's related to the corporate governance policy and/or if it's an intended violation of one's duty and responsibility with serious effect;
- 3.3 To the Board of Directors after the Audit Committee's decision that it's appropriate that the matter be reported thereto for its acknowledgement and/or for action relating to the supervision policy; and/or if the matter is having an effect to senior executives.

4. Disciplinary action and reporting :

- 4.1 Disciplinary action shall be in line with the Employee's Disciplinary Action Regulations issued by the Company and/or relevant laws.
- 4.2 In case the Company can contact the whistleblower or the person filing the grievance, it will report the person in writing.
- 4.3 Related supervisors are required to monitor improvement actions, if any, and report their line supervisors.

Anti-Money Laundering and Countering the Financing of Terrorism Policy

To ensure that the Erawan Group Public Company Limited and its subsidiaries (the Company) comply with the laws on anti-money laundering (AML) and international criteria on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT), the Board of Directors has established the AML/CFT Policy, the Know Your Customer (KYC) Policy and the Risk Management Policy against Customer's Money Laundering practices. This also include supervise employees to effectively comply with the AML/CFT policy.

The AML/CFT Policy

The Company has a duty and business ethics to establish the AML/CFT policy and practice guidelines while committing to prevent itself from being a money-laundering and terrorist financing haven. This can be done by strictly complying with the laws on AML as well as other related legislations and practices stipulated by the Anti-Money Laundering Office (AMLO).

The Company will also establish secondary policies and supporting measures to accommodate the aforementioned policy which shall include the Know Your Customer (KYC) policy, the Risk Management Policy against Customer's Money Laundering practices, Ongoing Customer Due Diligence (CDD) practice as well as supervision for effective AML/CFT compliance among employees. Details are as follows.

The Know Your Customers (KYC) Policy

The Company has a duty to ask customers to identify themselves and to verify customer's identity before accepting them as customers under the provisions of the anti-money laundering laws.

The Risk Management Policy against Customer's Money Laundering Practices

The Company is liable to manage risks involving customer's money-laundering practices before approving customers under the laws on AML.

Ongoing Customer Due Diligence (CDD) Practices

The Company has a duty to constantly and continuously monitor customer information until its relationship with customers comes to an end in accordance with the laws on AML.

Supervision for AML/CFT compliance among employees

1. The Company requires executives at every levels, employees and business partner (hotel operator) to strictly comply with the AML/CFT policy and practice regulations.
2. The Company requires authorized executives to supervise compliance with the laws on AML and to coordinate with the Anti-Money Laundering Office (AMLO).
3. The Company determine measurement to control AML/CFT risks possibly occurred from customers using its services from the Company.
4. The Company communicates the AML/CFT policy with the Board of Directors, executives, employees and business partner (hotel operator) to promote genuine understanding toward this policy and compliance with it.
5. The Company set up procedure, guideline and operation manuals that comply with the AML/CFT policy.
6. All levels of executives, employees and business partners (hotel operator) must comply with the AML/CFT policy and regulations.

Sustainable Development Policy

The Erawan Group Public Company Limited, the leading hotel operator in Thailand and the Philippines, is well aware of our vital role in the tourism industry. The company has invested, developed and managed hotels of which the operation may impact stakeholders ranging from customers to employees, government sectors, partners, suppliers, investors, creditors, communities and the society and the environment. We are realized that while we have generated the positive effects, such as contribute to the growth of the Thai economy, support community employment and development of tourist sites, we however have also caused waste and consumed energy beyond necessary.

With this in mind, we underline the importance of sustainable development and strive to apply this principle into operational process which cover economic, social and environmental aspects and adhere to corporate governance practices. We are determined to operate a business for a long-term sustainable growth to enhance the benefit and values to all our stakeholders.

In this regard, we have issued the following to practice as the sustainable development policy:

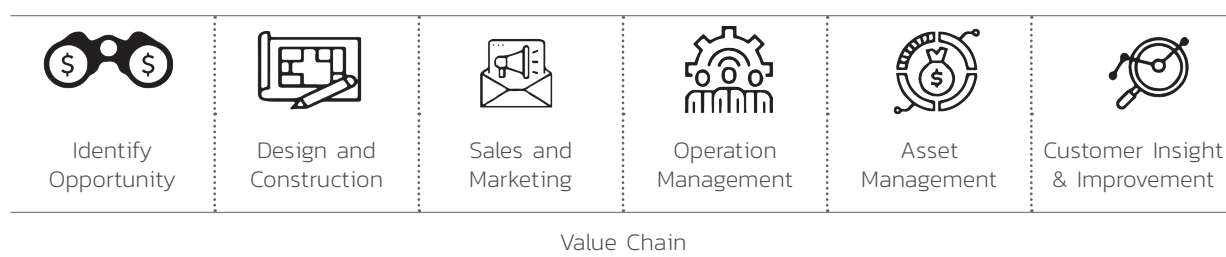
1. Fully compliance with laws and regulations in conducting business both in Thailand and the Philippines and against all form of corruptions.
2. Business supervision on the basis of integrity, transparency and corporate governance by mainly taking into account all stakeholders.
3. Focusing on a balance between industrial, economic, social and environmental development and all stakeholders for the business's sustainable growth.
4. Adherence to the principles of human rights, equality and non-discrimination.
5. Advocating participation and awareness of all stakeholders through the sustainable development policy implemented by the company and by all hotels under the group, as well as focusing on the implementation of sustainable development practices through the entire value chain.

The Sustainable Development Policy is the accountability of our Board of Directors and Management to drive it in a constructive manner. It is also the duty of all employees in our organization to comply with the policy and integrated it as part of our day-to-day business process to achieve concrete outcomes.



Mr. Petch Krainukul
President

Sustainability Development



Stakeholders

The Erawan Group Plc. values the participation of eight groups of stakeholders, namely, (1) staff/employees, (2) customers, (3) business partners, (4) suppliers, (5) shareholders/creditors, (6) government sectors, (7) communities, and (8) the environment. Participation is done through communication, listening to opinions and ideas received from different channels and applying stakeholders' expectation to develop and increase corporate competency that leads to sustainability.

Groups of stakeholders	Communication channels	Expectations/Interest
Staff/employees	<ul style="list-style-type: none"> • Staff meeting with the management; activity to strengthen relationship among employees. • Survey of staff's commitment to the organization. • Annual performance evaluation. • Online communication. • New staff orientation. 	<ul style="list-style-type: none"> • Remunerations, fringe benefits and welfare. • Equal treatment to all staff. • Opportunity for capacity-building and career growth.
Customers	<ul style="list-style-type: none"> • Surveys of customer's satisfaction. • Company's website and other online media. • Customer interactions when having the services. • Sales promotion campaigns, marketing activities organized through different types of media and roadshows. • Complaints, advices/recommendations through various channels of the company and the public. 	<ul style="list-style-type: none"> • Goods and services that are efficient and effective and that respond to customers' needs. • Complete, accurate and timely disclosure of all information. • Immediate remedy for grievances with care. • Securing and safeguarding safety and privacy of customers.
Business partner/alliance	<ul style="list-style-type: none"> • Meetings with the management and employees. • Staff representative as a point of contact with business partner. • Company activity, social activity. 	<ul style="list-style-type: none"> • Sustainable joint operation. • Jointly creating business values and interests. • Timely support upon crisis. • Healthy long-term partnership. • Transparent, fair and accountable procurement process. • Code of Conduct.
Supplier	<ul style="list-style-type: none"> • Selection and evaluation processes of suppliers and contractors. • Assessment of supplier's satisfaction in our work process. • Activities organized by the company, social-related activities. 	<ul style="list-style-type: none"> • Complete disclosure of the information, fair and equitable treatment of partners. • Maintaining long-term sustainable relationship.

Groups of stakeholders	Communication channels	Expectations/Interest
Shareholders/Creditors	<ul style="list-style-type: none"> Quarterly and annual report posted at the SET's and the company's websites. Annual General Meeting of Shareholders (AGM). Analyst's and investor's meeting. Company visit. Various communication channels such as website, email and phone call. 	<ul style="list-style-type: none"> Sustainable operation results and good investment returns. Clear, accurate, complete and timely information disclosure. Corporate governance reflecting transparency and the Code of Conduct. Compliance with conditions, agreements and obligations, on-time payment. Allowing shareholders and investors to express opinions on the company's operation. Long-term healthy relationship.
Government sectors	<ul style="list-style-type: none"> Meetings with government agencies in relevant agendas. Operation reports as required. Communication and discussions with government officers. Continued participation in state-organized activities and projects. Applying for various licenses. 	<ul style="list-style-type: none"> Full-scaled and continued compliance with rules and regulations. Sharing useful information. Participation and support of the government's policies and projects.
Community	<ul style="list-style-type: none"> Surveys and collects information, advices and recommendations from communities. Social and community development activities, community participation through employment. Procurement of community products. Complaints and advices filed through the company's communication channels and public channels. 	<ul style="list-style-type: none"> Co-existence without conflict. Employment and growth of the community's economy. Listening to complaints and exercising effective remedy in a timely fashion.
Environment	<ul style="list-style-type: none"> Direct and indirect environmental impact assessment (EIA). 	<ul style="list-style-type: none"> Minimize environmental impacts from the business.



Grand Hyatt Erawan Bangkok: Campus

Priorities and identifying sustainable materiality topics

As our priority is to fulfil our business philosophy "Success with Integrity". To create business values must take into consideration the interest of every stakeholder. The following are important issues identified to nurture the sustainability.

1. Materiality Identification

We gather expectations and interests of all stakeholders throughout the value chain that the business has taken part in before analyzing and summarizing them into our sustainability issues.

2. Materiality Prioritization

After the materiality issues were identified, the positive and negative impacts to our business and all stakeholders must be taking into consideration in term of economic, social and environmental dimensions to prioritize the issues with material effects to the company's sustainability. The issues are arranged based on their priorities.

3. Validation

The Sustainability Working Committee reviews coverage of issues considered pivotal to the company's sustainability before submitting them to president/CEO and the management to review and approve for further implementation.

Economic	Social	Environmental
• Corporate governance	• Occupational health, hygiene and safety	• Energy and resource management
• Customer's satisfaction development	• Talent and development	• Greenhouse Gas (GHG) management
• Risk and crisis management	• Human rights policy and practices	
• Value chain management	• Community/social participation and development	
• Development of business innovations		

Management Process

Risk management

The company is aware of and underlines the importance of sustainable risk management, which has led to a review of risk factors encompassing all business activities by taking into consideration internal and external factors. This includes assessments of direct and indirect opportunities and their impacts to our operation. The purpose is to enhance the risk management procedures, turn them into part of corporate culture to assure stakeholders when trying to achieve corporate goals and minimize possible losses. Major risks with business impacts are elaborated on Page 51.

Risk management during the Covid-19 crisis

The Covid-19 pandemic has unleashed direct impact to our business. Risk management resulting from the outbreak started in Q1/2020 to respond to immediate situations at the time. A crisis management team was formed under the business risk management plan to manage and implement various measures upon close monitoring.

The crisis management was divided into three periods as follows.

1. Resolving impacts

The devastating impact of the Covid-19 crisis prompted the company to temporarily close 66 hotels in Thailand from April 1, 2020 and 5 hotels in the Philippines from March 19, 2020 to relieve short-term impacts. Certain groups of these hotels however resumed their operation in May 2020. The back-to-business operation was done in four phrases as follows.

• Phase 1: HOP INN Thailand

As the hotel mainly targeted local customers, they gradually resumed the operation from May 18, 2020 before all 44 branches were in full operation on June 1, 2020.

• Phase 2 - June 2020

In June 2020, The Erawan Group reopened its hotels in Pattaya and Hua Hin areas, for their main customers were Thais who could travel there by car in relatively short time. Mercure Pattaya Ocean Resort and Ibis Hua Hin resumed their operation on June 12, 2020. Ibis Pattaya saw its door opened on June 26, 2020.

- Phase 3 - July 2020

Hotels in Bangkok, namely, Grand Hyatt Erawan Hotel Bangkok and JW Marriot Bangkok, resumed their operation, initially targeting Thai customers to experience hotel restaurants. In addition, two budget hotels in Bangkok, namely, Ibis Bangkok Sathorn and Ibis Bangkok Riverside, were opened. Holiday Inn Pattaya in the resort town of Pattaya was added on to the opening list.

- Final phase - from August 1, 2020

The company reopened the remaining 14 hotels in Thailand and 3 HOP INN hotels in the Philippines.

Underlining the importance of liquidity and cashflow management, the group has implemented measures to continue mitigating impacts from Phase 1 of the Covid-19 crisis till at present. This included negotiating with stakeholders to defer payments and expenses, deferring payment of the principal due for repayment with creditor banks and temporarily suspension of all investment plans. The group remained confident to possess enough cashflow and liquidity to operate under the challenge. Taking care of stakeholders was one of the measures in this phrase to minimize impacts they faced from this crisis. Details are as follows.

Staff/employees

The company announced health and hygiene practices for employees working in the hotels and the head office to strictly comply with. Staff were allowed to work from home and different employees could come to the office if necessary at different hours to minimize their presence. Main communication channel was online basis to curb travel and face-to-face interaction. Staff were provided protection gears such as face mask, face shield and gloves.

Customers

All hotels allowed customers reserving hotel rooms or hotel facilities to postpone their reservation or event without charge.

Suppliers

Rent was cut for tenants in our office-for-rent business to relieve them from the immediate situation. In the hotel business, since most hotels were temporarily closed in April before gradually opened in June 2020, the group negotiated to defer payment with groups of suppliers and proceeded to pay on time after the negotiation had completed.

Shareholders

The group informed shareholders of impacts from the Covid-19 situation and temporary hotel closure in March 2020 via the Stock Exchange of Thailand's website. Mitigation measures and how the company handled the situation were regularly updated to shareholders on a quarterly basis in the MD&A report. Operation results were disseminated through various channels.

Society and communities

At the peak period of the Covid-19 pandemic during the first six months of 2020, the group offered medical personnel the privilege to check-in at our hotels within hospital proximity without charge to help relieving them from coping with the pandemic. All hotels cooked food and offered bags containing hygiene items to neighboring communities.

2. Recovering from impacts

For short-term recovery, we focused on upgrading the cleanliness and safety standards at our hotels starting from the early days of the pandemic. All hotels in Thailand and the Philippines were to comply with the most stringent monitoring and prevention measures as recommended by the government. This was something we gave priority to amidst the intensity of the situation. Measures included social distancing, temperature measurement to screen staff and customers entering the premise, providing alcohol gel and disinfecting and cleaning hotel common areas. However, as hotels gradually resumed operation, the group strengthened hotel safety and hygienic measures by, for example, upgrading disinfection level standards within the hotels, implementing hygienic measures at hotel restaurants and function rooms and enabling e-payment. Right now, all hotels in Thailand have passed the SHA safety hotel standards set by Ministry of Tourism and Sports together with Ministry of Public Health.



The group has focused more on revenues from local customers where online marketing was used to disseminate information together with collaboration with the government sector to help recovering the local tourism industry.

Regarding long-term recovery, we keep monitoring the situation and make ourselves ready whenever the situation is better and when foreign visitors are allowed to re-enter the country.

3. Driving long-term values

The group continues to focus on developing the organization for sustainable growth with agility to adapt to all situations. This is done by enhancing our products and services to respond as much as possible to customer's needs through the all-dimension product development. Staff are encouraged to enhance skills so that they are diverse enough to accommodate rapid business changes, which therefore should lead to lower costs of HR management and increase access to all customers. We also encourage participation and co-existence of all stakeholders in the entire value chain for the sustainable growth of the Thai tourism sector.

Supply chain management

The group has issued guidelines for business conducted between itself, suppliers and contractors to reflect risk levels where quality, quantity and nature of services it will acquire are taken into consideration. This should enable fair competition, transparent supervision, environmental care, effective energy consumption, occupational health and safety, community impacts and human rights consideration. These components have been incorporated in our procurement process from start till end, ranging from the selection of suppliers to price negotiation, pricing audit, bidding, special bidding procedures and procurement from government agencies and state-owned enterprises (SOE). Questionnaires were sent to survey supplier's opinion after they participated in our bidding process to increase the process's efficiency.

Developing customer's satisfaction

As customers are pivotal to our business, The Erawan Group commits to nurture and maintain strong relationship with all kinds of customers. The company intends to take care of customers prior to, during and after experiencing services,

which encompass hotel rooms, restaurants or other services. Customer's satisfaction survey is carried out at every step of service on a regular basis to make sure that customers are happy. Continued improvement of our services is also our priority, which is done through opinions solicited from customers before being analyzed to better respond to their needs. Service enhancement will be periodically updated to reflect changing consumption behaviors based on the latest trend. For example, attempts are made to apply the same cleanliness and hygiene standards to all types of hotels and the online reservation system has been refined to make it more user-friendly.

Customer's satisfaction development plan

Customer clustering

Since The Erawan Group offers several types of hotels for customers to choose from, our customer base is quite diverse and commands different tastes. To name a few, they could be customers coming to the hotel for leisure, corporate customers, singles, couples, families and customs of various nationalities. Customer clustering enables us to study demands of a particular group of customers to offer the right products and services to them.

Customer complaint management

The Erawan Group offers diverse channels for customers to file grievance in case we fail to deliver perfect services. This ranges from online channels such as Official Line Account, YouTube, Twitter and email, to offline channels such as call center. Impact assessment and management of customer complaints depend on a particular situation with our service standards being the criteria. Simultaneously, impact assessment to the company's interest and to the interest of all stakeholders is regularly conducted.

Customer engagement

The Erawan Group keeps organizing events at all hotels to deliver first-hand experience to customers who have enjoyed our hotels and services.

- Games are regular organized and prizes in a form of hotel rooms or other awards are regularly given. Specific corners are arranged so that customers can share or post their photos to commemorate memory they have at the hotels on a special occasion.

- Introduction of seamless technology as part of customer's daily interactions such as using Facebook, Official Line Account or Instagram to conduct a 2-way communication 24/7.
- Conducting a monthly customer's satisfaction survey to gauge the number of followers, subscription and online reputation as well as to witness the growth of loyalty members.

Business innovation development

Starting in 2018, the Corporate Strategy and Innovation Department has been set up to oversee and implement new technology to enhance our business, monitor relating factors, adjust corporate strategies for resiliency to cope with rapid change and manage sustainable growth. A special task force whose members are staff from various departments has been set up to manage business innovation projects to cultivate the company's corporate culture.

In 2020, HOP INN Thailand together with ZWIZ.ai, a start-up business with expertise in AI, Chatbot and Analytical Tools, collaborated to develop a hotel online reservation system through Chatbot. The goal was to facilitate customers to reserve the group's hotel rooms through Official Line Account and Facebook Messenger in an attempt to respond to the needs of customers for fast and convenient hotel reservation. At the same time, corporate values were added through these social media. Currently, the Chatbot manages to help staff remove cumbersome layers within the hotel's operating system and focus more on how to create a better customer care experience.

Human resource development

Labor management

Human resource management has been carried out on the basis of the Code of Conduct and corporate governance. This can be further broken down into mutual respect, support of diversity and differences ranging from skin color, race, gender, religion, sexual orientation or disabilities to human rights and safe workplace environment. These criteria have been applied during the selection and nomination process, welfare allocation and capacity-building. New employees will attend an orientation session in order to understand the group's vision, values and corporate culture as well as work practices. The group also offers equal opportunities for vocational staff, male or female, to learn and advance in

their career path through reshuffling, transfer or promotion by mainly taking into account their knowledge and capability. The Erawan Group also compares its remunerations and welfare with peers in the same industry to ensure that staff are not only remunerated with compensations and benefits as required by the law, but they are also proportionally remunerated.

Competency building policy

We have conducted an annual capacity-building plan each year. The plan, which focuses on enhancing capacity, re-skilling, up-skilling and nourishing digital skills, is carried out in tandem with the individual development plan (IDP) at the rate of 70:20:10. Monitoring and assessment are regularly updated.

Cultivating corporate culture and increasing staff's participation

Effective communication, encouragement for staff to participate in company activities and acknowledgement of people's performance are part of our corporate culture that reflects the priority of our staff. Being attentive to this subject matter, the company has set up various communication channels to ensure that everyone is taken care of. In 2020, we conducted a monthly townhall meeting to update business situations and communicate with everyone. The townhall meeting offered an opportunity to staff at all levels to directly meet and express opinions with senior management. At this townhall meeting, employees are given an opportunity to propose ideas that will benefit the firm or directly inquire the management. The firm also provides a communication channel via Facebook for every staff who become a member to receive information while able to post and express their opinions independently.

The company also conducts an annual employee's satisfaction survey to measure satisfaction levels of services provided by internal departments in order to listen to staff's recommendations and advices. Information from the survey is analyzed to come up with a policy overview before a report is written to inform relevant departments to come up with a plan that will initiate or improve services to their internal customers.

Participation and community/social development

The company underlines the importance of participation and development of both the society and communities. We aim to respond to the needs and expectations of stakeholders in communities, those in proximal area around our business and other areas in a balanced manner by creating good co-existence relationship by using our knowledge and expertise. We encourage communities to explore opportunities of self-development while maintaining and nourishing their customs and traditions. We also urge staff, one of the stakeholders, to be involved in social responsibility. We openly listening to people's opinions, enabling employees to volunteer in social projects and collaborating with business partners, alliance networks and government agencies to strengthen community's advantage in order to fulfil the goal of a sustainable society.



Social activities: 2020

Community development activities

The company and hotels within the group organized activities mobilized by employees with volunteer mind to relieve the public from difficulty from the Covid-19 outbreak. Activities were designed to suit the needs of particular sites and locations:

- Hotels within the group delivered food, alcohol gel, consumables to neighboring communities and the public.
- The company donated N95 face masks and dried banana, a product from Pa Pang community in Lampang Province, to Maharaj Hospital in Nakhon Ratchasima, Wachira Phuket Hospital in Phuket, Songkhla Nagarindha Hospital in Songkhla, Maharaj Nakhon Chiangmai Hospital in Chiangmai and Chulalongkorn Hospital in Bangkok.

- The company donated Thank You bags to street cleaners in proximity areas of our hotels, namely, in districts of Klongtoey, Pathumwan, Sathorn, Klongsan, Chaengwattana in Bangkok, and in Pathum Thani Municipality area in Pathum Thani Province, to express our deep appreciation to those who had been working so hard during the Covid-19 pandemic. The Thank You bag consisted of coffee from Pa Mee Community in Chiangrai Province, Jasmine rice from Kok Muang Community in Buriram Province and processed coconut shell products from Ban Laem Community in Nakhon Si Thammarat Province. These products were all from communities in the Happy Home, Happy Stay project developed to enhance community homestay service and management that the company had run to help distributing incomes to local communities, as they were all affected by the pandemic.
- The company donated the entire revenue from room sales of HOP INN hotels nationwide on June 5, 2020 with no deduction together with staff's donations totaling Baht 1 million to the "Baht 63 to Fight Covid-19 Pandemic – Transforming suffering with Baht 63 in 2020 Project" of the Thai Red Cross.



Education support activity

The Creative Cabinet project provides a better access to books and toys that enhance learning and skills to primary school children to widen their imaginations. The cabinet contains teaching materials to produce learning media as well. The company plans to deliver the cabinet to schools in provinces where HOP INN hotels are located all over Thailand. 5 cabinets will be given to 5 schools on the first day a HOP INN hotel in that area opens its door. The project has started since 2014. So far, at least 224 schools have received the imagination cabinet. In 2020, the company gave the cabinets to five more schools in Phuket on the occasion of HOP INN's 2nd branch opening in the island.

Tourism industry support projects

The “Happy Home, Happy Stay” project represents an increasing role of community tourism, as more and more tourists wish to experience local lifestyles, traditions, food and customs. They want to experience first-hand how to cook and eat local culinary, how to DIY handicraft and how to live the same their hosts live. As a hotel operator, the company is eager to take part in promoting community tourism, which is directly related to our business.



To further develop the community homestay management, the company has shared its knowledge and expertise with communities, encouraged them to learn and look at economic opportunities from different perspectives in order to enhance their potentiality for the purpose of sustainable development from within the communities themselves. The project was initiated in 2018 at Ban Laem Community, Tha Sala District, Nakhon Si Thammarat Province. A year later, we collaborated with Air Asia to organize the homestay service and management training in the “Journey D” project for communities. In 2020, the company joined hands with Government Savings Bank (GSB) in the GSB Smart Homestay project by awarding and sharing knowledge with Ban Nong Khao, Ta Muang District, Kanchanaburi Province and Ban Mung Nua, Nern Ma Prang District, Phitsanulok Province. In addition, bedsheets from selected hotels within the group were distributed to six participating communities in the project.

Environmental and natural resource management

The hotel business strives to make customers happy and comfortable. This is the business that not only consumes a lot of energy and resources but also generates a lot of waste, wastewater and Greenhouse Gas (GHG), all of which actively create to the world's climate change and global warming phenomena. Realizing the highest priority on environmental and resource management to mitigate direct and indirect effects, the company requires every hotel to strictly comply with the laws

governing the environment and the policy to maximize the use of resources. Any conduct that could jeopardize the environment of neighboring communities must be avoided. Awareness to use resources responsibly is constantly communicated to staff so that everyone understands the practices and design hotel experiences to raise customer's awareness for lesser energy consumption. The company also promotes the use of technology and innovations in this resource management for their best interest and the interest of all stakeholders.

Energy management

The company and hotels within the group regularly check, maintain and supervise tools and equipment for effective energy consumptions. Details are as follows.

- Campaign to raise an awareness to responsibly use the resources, reduce energy consumption at home and workplace whenever possible, for example, use the electricity only when necessary, turn off computers when not in use, walk instead of taking an elevator, keep electronic devices in a good condition, exercise the 3 R - Reuse, Reduce and Recycle principle in daily work to minimize the use of resources.
- Install timers to control on-off switches and alternately turn on/off lighting to promote adequate and energy-saving lighting.
- Replace 36-watt fluorescent light bulbs with LED-T8 18-watt ones; installing timers to control building lighting.
- JW Marriot Bangkok has installed the Variable Frequency Drive (VFD), which adjusts the frequency of cool pumps. A new high-efficiency steam generator and a chiller with better efficiency level were installed to reduce energy consumption. During 2017-2018, two high-efficiency coolers were installed, which made the building win the “MEA Energy Saving Building Award” from Metropolitan Electricity Authority (MEA). Participating in this project made the hotel's electricity bill fall by 9%.



- Courtyard by Marriot Bangkok has installed the chiller plant organization to manage the hotel's entire cooling system, namely, chiller plant controls, chilled water pump, condenser water pump, cooling tower fan motor and AHU motor. It also adjusted motor's variable speed to reflect the entire system to control the way the system worked to identify actual heat load in need. In addition, for hotels with more than one chiller, the software managed each chiller and was able to generate an accurate level of cool air, which helped improving the efficiency of the chiller and drastically cut electricity consumed by the entire system.
- Hotels under the Accor Chain have hired NCH Co Ltd to maintain and treat wastewater from cooling tower. The firm also checked and assessed air conditioners to ensure efficient performance. This means cooling tower of a chiller did not need to use a softener device, as heat was better ventilated from the chiller, which cut down the consumption of electricity by 1.5% per degree. It's expected that energy consumption would fall by 2%.

Data of Internal use of energy

2018*	2019	2020
74,449,938.71 kWh	82,086,526.44 kWh	52,597,885.82 kWh

* Excluding HOP INN's energy consumption data

Water management of hotels within the group

Water significantly supports our business. The company and hotels within the group exercise the following guidelines when it comes to water management and water awareness among staff and hotel guests: that water must be effectively used with responsibility while innovation is introduced to reduce the use of water.

- Hotel guests are encouraged to repeat using towels and linens to avoid unnecessary laundry
- Staff are encouraged to be aware of the importance of smart water use, for example, not to keep water tap running to avoid wasting water, dispense the right amount of water from a water dispenser.
- Aerators have been installed to limit water flow
- Water-saving toilet bowls are selected.
- Pipes and water meters are constantly checked and repaired to prevent leakage
- Water use is recorded and compared with when water reduction measures are implemented.

- Strict compliance with wastewater treatment practices required by the laws; regular system check to minimize environmental and community impacts.

Data of internal water use

2018*	2019	2020
1,180,075.30 m3	1,440,465.83 m3	855,642.88 m3

*Excluding HOP INN's water consumption data

Waste management

Realizing environmental impacts generated by the hotel business, the company has separated waste into the following categories:

- **Waste from hotel rooms and waste from common areas:** waste is separated for recycling purpose and for better waste management.
- **Waste from kitchen:** JW Marriot Bangkok and Light Blue Co., Ltd. have collaborated with the Light Blue Project to reduce food waste from the food preparation phase down to the cooking and food waste management process.



- **Plastic waste:** Hotels within the group has a policy to reduce plastic waste in order to mitigate environmental impacts where plastic materials are replaced by glass bottles, paper straws, cloth bag and paper bag. Water dispensers have been installed for hotel guests to refill instead of bottle water. Staff are urged to reduce using plastic in hotel activities. Water bottles, cloth bags and foldable silicone food boxes have been distributed to staff to replace a single use plastic container. Suppliers are required to deliver goods in baskets or containers rather than in plastic bags.
- **Paper waste:** The Erawan Group has started separating paper waste since 2008. In 2020, the company and hotels within the group as well as partnering companies in Pleonchit Center Building participated in the Paper X project with SCG Packaging Co., Ltd.

to direct separated waste paper to the recycling process to maximize the efficiency of the recycling economy. About 1.6 tons of paper was separated when the project started in October, which was equivalent to the saving of 17 trees from being cut and the reduction of 680 CO2 equivalent of the GHG released, 7,000 gallons of water used, 380 gallons of oil burnt and 4,000 kilowatt/hour of electricity consumed. (from: www.fusionwaste.com)

Greenhouse Gas (GHG) Management

Our intention is to encourage the management and staff to understand the GHG release process so that their understanding can improve our work process by enhancing energy efficiency, saving energy, conducting waste management and selecting green and GHG-friendly products based on industrial standards through, for example, the use of CFC-free cooling substance, to reduce environmental impacts. When organizing an activity, we incorporated the environmental impact element into the event. For example, we encouraged participants to reduce waste generated from the activity and that they took public transportation instead to the venue. The business started gathering the GHG release data for further analysis and development in order to reduce it or find a better way to handle it.



Internal Control and Protection of Internal Information

In 2020, the Board of Directors convened eleven times at which the Audit Committee attended every time to give opinions about an adequacy and soundness of the internal control system. The Audit Committee summarized and reported internal audit activities to the Board of Directors on February 23, 2021 and the Board of Directors expressed the same opinions as the Audit Committee in this matter, which can be summarized as follows:

Internal Control System

The Audit Committee has direct responsibilities to supervise the company's internal control system in every aspect, whether it is finance and accounting, legal compliance and compliance to relevant rules and regulations. The Audit Committee formulates auditing mechanisms to ensure effective balance of power. There is also the Internal Audit Department to audit performances of all departments based on a risk-based auditing plan and to offer advice on how to set up a good internal control system.

The Audit Committee has duties to review auditing plans; to control and supervise the Internal Auditing Department's independence; to approve appointment, transfer and termination of the Internal Auditing Department's supervisor and to ensure that the Internal Auditing Department remains independent. The Committee must also make sure that the Department can perform its auditing functions and balance the existing power according to the prevailing standards. The Department is to directly report its auditing work to the Audit Committee at least once each quarter to ensure that the company's internal control and internal auditing work is conducted in a thorough manner and will not damage to shareholders.

Protection of Internal Information

One of our priorities is focused at the use of our internal information and the prevention of our directors and executives from using internal information for their benefit or the so-called abusing self-dealing. This applies specifically to internal information not yet disclosed to the public or information that may affect our corporate strategy, business, trade negotiations and share prices, which, if abused, not only means that our shareholders are taken advantage of but it can damage shareholders in general. That's why we have set our Executives Ethical Standards as a practice with heavy penalties in case of violations or intended violation of the 10 practices stated in the Code of Conduct under the topic of "Executives Ethical Standards"

We also allow different levels of staff to get access to different types of internal information based mainly on their responsibilities and duties. Disciplinary actions are stated in our Work Regulations under the topic of "Disciplinary Actions and Penalties". For example, Clause 3.2 Re: Disciplines with regard to confidentiality and corporate profits prohibits employees to "seek inappropriate benefit from the company or others relating to the company. Employees are prohibited to conduct personal business or to work for others in an identical or similar business as the company's although the work may be performed outside the company's office hours". With regard to disciplinary actions and punishment, the company will normally appoint the Disciplinary Action Committee to conduct an investigation and to ensure fairness to accused staff.

Connected Transactions

The Erawan Group requires an approval from either the Audit Committee or the Board, as the case may be, when conducting a transaction that may cause a possible conflict of interest. In addition, details of transactions with possible conflict of interest during the past year and their values are disclosed while explanations and reasons for the transactions are clearly stated in the Annual Report. The Erawan Group requires its executive directors involving in the transaction to disclose the information and/or types of relationship not only of his own, but also of his spouse, closed relatives as well as personal relationship with any bidder for transparency purpose to the Office of the Corporate Governance. In addition, director shall abstain from voting and/or not be part of the decision-making process.

Connected transactions are shown in the Notes to Financial Statements and connected transactions table. All transactions were reasonable and were considered normal transactions. They were conducted for the company's ultimate benefit. Connected transaction had already been reviewed by the Audit Committee and/or the Board on an arm's length basis that they were in compliance with our requirements and rules and regulations of the SEC and the SET and that they were not against the accounting standards Re: Disclosure of information in relation to connected persons or transactions.

Connected transactions between businesses with the following relationships were executed;

Person/entity	Description	Transaction value (THB)	
		2020	2019
1. Chai Talay Hotel Co., Ltd. - Hyatt Regency Hua Hin Hotel			
Type of business: Hotels and resort hotels	Agreement to lease office space and the service agreement with Erawan		
Nature of relationship:	Hotel Public Company Limited		
• Mrs. Panida Thepkanjana and Mr. Supol Wattanavekin are closed relative to Mrs. Vansamorn Wannamethee, Authorized Director of Chai Talay Hotel Co., Ltd.	• Rental and services income	577,307.59	1,002,315.54
	• Receivables at end of period	91,650.71	-
• Wattanavekin Group holds 28.63 percent of the Company's shares.	• Deposit from Lessee	321,496.48	321,496.48
	(Early termination in September 2020)		
2. SUSHI ICHI (THAILAND) Co., Ltd.			
Type of business: Restaurants activities	Agreement to lease office space and the service agreement with		
Nature of relationship:	The Erawan Group Public Company Limited and Erawan Hotel Public Company Limited		
• Mr. Gavin Vongkusolkrit, Director and Authorized Director of Sushi Ichi (Thailand) Co.,Ltd.	• Rental and services income	1,793,065.51	2,280,200.71
	• Receivables at end of period	190,391.71	24,331.86
• Vongkusolkrit Group holds 26.86 percent of the Company's shares.	• Deposit from Lessee	646,207.76	646,207.76
3. Kuppadeli Co., Ltd.			
Type of business: Restaurants activities	Agreement to lease office space and the service agreement with The Erawan		
Nature of relationship:	Group Public Company Limited		
• Mr. Gavin Vongkusolkrit, Director and Authorized Director of Kuppadeli Co., Ltd.	• Rental and services income		
	• Receivables at end of period	556,477.75	2,674,414.08
• Vongkusolkrit Group holds 26.86 percent of the Company's shares.	• Deposit from Lessee	-	53,572.23
	(Early termination in February 2020)	669,438.00	719,938.00
4. Kiatnakin Bank Plc.			
Type of business: Commercial Bank	The Short - term loan agreement of 500 million bath with an interest rate		
• Wattanavekin Group holds 28.63 percent of the Company's shares.	at MMR (Money Market Rate), for using as the working capital to support the business. As at 31st December 2020, loan has not been drawndown		

Pricing policy and the Audit Committee's opinions

The agreed price was a market price compared to space in nearby areas and not lower than the price offered to other tenants or service users based on the business standards.

Necessity and Soundness of Connected Transactions

In case the Erawan Group signs an agreement or conducts a connected transaction with a subsidiary company, affiliate, related company and/or the third party, The Erawan Group will consider the necessity and soundness of such contract based mainly on the company interests.

Approval Measures or Procedures of Connected Transactions

If the Erawan Group is to execute a contract or if there is any connected transaction between itself and its subsidiary, affiliate, related company, the third party and/or anyone with possible conflicts of interest, the Board of Directors requires the company, for the purpose of its benefits, to comply with the rules stated in the Stock Exchange of Thailand's (SET) Announcement Re: Information disclosure and practices of listed companies in connected transactions. Meanwhile, prices and other conditions shall be as if the transaction is at an arm's length where directors or staff having an interest in such transaction must not participate in any approval process.

Policy or Outlook for Future Connected Transactions

-None-

The Erawan Group has the other connected transaction in addition to the items mentioned above as follows. All transactions were reasonable and were normal transactions.

Other Connected Transaction	2020	2019
1. Mitr Phol Sugar Group of Companies		
• Revenue from Hotel Operation	1,743,527.77	8,062,321.48
• Receivables at end of period	221,282.48	1,706,676.71

Financial Information and Corporate Information



Grand Hyatt Erawan Bangkok

Report of the Board's Responsibility in the Financial Statements

The main priority of the Board of Directors is to supervise the Company's operation, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and also reported its opinions in The Report of the Audit Committee to Shareholder as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proven to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31st December 2020 which the Company's auditor has conducted in accordance with Thai Standards on Auditing. The auditor is of the opinion that the financial statements present fairly the Company's financial position, the financial performance and cash flows in accordance with Thai Financial Reporting Standards.



Mr. Chanin Vongkusolkrit
Chairman of the Board of Directors



Mr. Petch Krainukul
President

Management Discussion and Analysis

Consolidated Profit & Loss Statement (period ending 31st December)

THB Millions	2019	2020	% Ch.
Hotels' Operating Income	6,146	2,180	-65%
Rental and Service Income	233	126	-46%
Total Operating Income	6,379	2,306	-64%
Other Income	60	42	-29%
Total Income	6,439	2,348	-64%
Operating Expenses	(4,551)	(2,507)	-45%
EBITDA	1,888	(159)	N/A
Depreciation & Amortization	(830)	(1,012)	+22%
Operating Profit/(Loss)	1,058	(1,171)	N/A
Finance Costs	(401)	(536)	+33%
Pre-tax Profit / (Loss)	657	(1,707)	N/A
Taxes	(154)	39	N/A
Minority Interest	(57)	63	N/A
Normalized Net Profit / (Loss)	446	(1,605)	N/A
Extraordinary Items			
Share of Profit/ (Loss) from ERWPF	-	(18)	N/A
Loss on impairment of non-financial assets	-	(92)	N/A
Net Profit / (Loss)	446	(1,715)	N/A
E.P.S. (Baht)	0.1773	(0.6813)	N/A

Group Performance

The COVID-19 pandemic which occurred since the beginning of year 2020 has brought unprecedented challenges to global tourism industry. Many countries have adopted travel restriction and border close between country to control the spread of virus including Thailand which also placed a ban on international. Therefore, number of international tourist arrivals to Thailand in 2020 were recorded at 6.7 million, the lowest number since

“Tom Yum Kung crisis” Asian financial crisis in 1997. However domestic market still driven Thailand tourism industry in 2020. The domestic travelling has continued to improve after travel restrictions easing in 2Q20 as the result of effective pandemic response and also benefit from government stimulus package “We travel together”.

Our business operation has remained under crisis management plan which gives first priorities to mitigate the impact to all stakeholders, preserving liquidity and managing cash flow. We closely monitored COVID-19 outbreak situation and continued to strictly implement cost control measurements including reduction director remuneration, management and staff salary at both the hotels and the head office, adjusting manning according to forecast business level and renegotiating expense with all stakeholders. As a result of our comprehensive cost saving measures in year 2020, we were able to decrease our operating expense by 45 percent compare to 2019. For the preserving the liquidity, at the end of 2020, we recorded our cash on hand at THB 1,623 million and had available credit facilities at THB 5,231 million.

For 2020, we recorded total operating income at THB 2,306 million, a 64 percent decrease from 2019. Revenue from hotel operations dropped 65 percent and rental and service income dropped 46 percent from 2019. We recorded negative EBITDA at THB 159 million, compared to positive EBITDA at THB 1,888 million in 2019. We generated normalized loss before extraordinary item at THB 1,605 million and recorded share of loss from investment in ERWPF at THB 13 million and loss on impairment of non-financial assets at THB 92 million as extraordinary item in this year. As a result, we recorded net loss at THB 1,715 million compared to net profit at THB 446 million in 2019.

Performance by Business Unit

1. Hotel Business (EBITDA by segment is calculated without taking non-property-specific expenses into account)

The COVID-19 outbreak situation has adversely impacted Thailand tourism industry as aforementioned. As part of the Company's risk management plan, we temporarily closed all hotels in Thailand since April 2020 and gradually resumed some hotels in May 2020. We fully reopened all hotel in August 2020 along with uplifting hygiene and cleanliness standard and safety in our all hotel. However, our main revenue from Thailand and Philippines hotels were remain contributed from domestic customers as foreign tourists were not allowed to visit both countries since 2020.

In addition, we opened 3 new hotels in 2020; HOP INN Phuket (2nd branch), Phitsanulok (2nd branch) and Chiang Mai (3rd branch) as a result we have 73 hotels with 9,802 rooms in our portfolio at the end of 2020.

Hotels in Thailand

Our hotels in Thailand were affected from the COVID-19 outbreak situation as aforementioned. As a result, we recorded occupancy of total Thailand hotels at 37 percent, compared with 76 percent in 2019 and RevPAR dropped 70 percent from 2019.

Our HOP INN hotels in Thailand which main customer are domestic travelers for both corporate and leisure were the first segment to resume operation since May 2020. This segment generated the best performance among all segment and have least impact from the COVID-19. Occupancy were recorded at 57 percent, the highest occupancy among all segments in 2020. In addition, ARR was also in line with same period last year. As such HOP INN in Thailand generated operating income at THB 431 million, a 10 percent decrease from 2019 and EBITDA at THB 192 million, a 13 percent decrease from 2019.

Other hotel segments which main customers are foreigners have witnessed the slower recovery trend than HOP INN hotels. These segments recorded occupancy at 24 percent in 2020, a 76 percent drop from 2019. These hotels showed improvement on the month-on-month basis since the first month of reopening in June 2020 but was limited recovery. Destination wise, hotel in Hua Hin and Pattaya received good response from domestic market which recorded higher occupancy and ARR during the weekends and public holiday. Hua Hin hotel posted the highest occupancy among all hotels at 46 percent in 2020. Bangkok and other destination hotels also continued to improve month by month but at the lower pace compare to hotels in Hua Hin and Pattaya. This mainly driven by the intensive marketing strategies by each hotel to capture new customers as well as retain existing customers through various packages such as workcation, long stay and alternative state quarantine hotel.

Food and beverage revenue were also affected from COVID-19 outbreak situation but showed improvement on the month-on-month basis especially F&B from luxury hotels in Bangkok after resumed operation since July 2020 on the back of strong support from domestic market from both F&B outlet and banquet.

In sum, hotel in Thailand (ex. HOP INN) generated operating income at THB 1,662 million and negative EBITDA at THB 270 million in 2020.

Hotels in Philippines

5 HOP INN hotels in Philippines were temporarily close since March 2020 and reopened since August 2020 onwards with the restriction to accept only customers who have essential travel purpose according to Philippines government's measure because the COVID-19 situation in Philippines is still in high risk. As a result, we recorded occupancy at 30 percent in 2020 which is considered the fast ramp up taken in consideration that customers

who are entitled to stay in the hotel is limited as aforementioned. HOP INN Philippines generated operating income at THB 90 million and EBITDA at THB 20 million in 2020 which EBITDA returned to positive within the first month of reopening.

We generated income from hotel operations at THB 2,180 million in 2020, a 65 percent decrease from 200. Room revenue recorded at THB 1,472 million and F&B revenue recorded at THB 657 million. We recorded negative EBITDA at THB 58 million while recorded positive EBITDA at THB 2,007 million in 2018.

Statistics for hotel room operations for the 2020 periods are as follows:

12-month period (Jan-Dec)	No. of rooms		Occupancy			ARR (THB/Night)			RevPAR (THB/Night)		
	2019	2020	2019	2020	+/-	2019	2020	+/-	2019	2020	+/-
Thailand	8,726	8,959	76%	37%	▼ 39%	1,855	1,163	▼ 37%	1,414	429	▼ 70%
Luxury Hotels	989	989	76%	20%	▼ 55%	5,524	4,483	▼ 19%	4,178	916	▼ 78%
Midscale Hotels	1,668	1,668	85%	24%	▼ 60%	2,736	2,263	▼ 17%	2,319	550	▼ 76%
Economy Hotels	2,686	2,686	75%	25%	▼ 50%	1,247	1,119	▼ 10%	937	285	▼ 70%
Total Group (ex. HOP INN)	5,343	5,343	78%	24%	▼ 54%	2,570	2,004	▼ 22%	2,009	485	▼ 76%
HOP INN Hotels	3,383	3,616	73%	57%	▼ 16%	609	607	▼ 0%	444	344	▼ 23%
Philippines	843	843	82%	30%	▼ 52%	956	938	▼ 2%	781	278	▼ 64%

Rental Properties

We own and operate Erawan Bangkok, a luxury retail property adjacent to Grand Hyatt Erawan Hotel, and manage Ploenchit Center as a property manager. For 2020, income from rental and service recorded at THB 126 million, a 46 decrease from 2019, mainly driven by COVID-19 situation and the supporting provide to tenant.

Other Items in P&L

- **Depreciation & Amortization:** We added depreciation as a result of accounting impact of TFRS16 at THB 214 million in 2020. Excluding the accounting impact of TFRS16, this item recorded at THB 798 million in 2020, a THB 32 million decreased from 2019. The main reason for the decreasing came from some hotels that have been fully depreciated.

- **Finance Costs:** We added finance costs as a result of accounting impact of TFRS16 at THB 143 million in 2020. Excluding the accounting impact of TFRS16, we recorded finance costs at THB 393 million in 2020, a THB 8 million decrease from 2019. due to lower interest rate

Extraordinary Items:

- **Investment in ERWPF:** We recorded share of loss from 20 percent investment in ERWPF at THB 18 million in 2020 due to asset revaluation.
- **Loss on impairment of non-financial assets:** In 2020, we recorded loss on impairment of non-financial assets from our subsidiary company that is the lessee of hotels in ERWPF at THB 92 million.

Financial Status

Financial Ratio (times)	2019	2020
Interest Bearing Debt to Equity *	1.7	3.2

* Exclude impact from IFRS16

In 2020, we recorded negative operating cash flow before change in operating asset and liabilities at THB 101 million due to net loss recorded in 2020. However, we continued to focus on preserving liquidity and managing cash flow as our priority under this current circumstances. We have suspended all investment on new projects and continued got support from our debtor on reschedule loan repayment and provide additional credit facilities during these periods. Our cash on hand at the end of 2020 was recorded at THB 1,623 million, increased from THB 969 million at the end of 2019 and have unutilized credit facilities approx. THB 5,231 million to support our liquidity.

As the result of the adoption of TFRS 16 with effect from 1 January 2020 onwards (see note 3 and 14 in Financial Statements), total asset and liabilities increased THB 3,302 million and THB 3,417 million respectively. At the end of 2020, we recorded total assets at THB 21,215 million compared to THB 17,834 million at the end of 2019. Our total liabilities recorded at THB 17,286 million increased from THB 11,893 million at the end of 2019 mainly from the increasing of interest-bearing debt from financial institution to support our liquidity under this situation. Shareholder's equity recorded at THB 3,929 million decreased from THB 5,941 million at the end of 2019, mainly driven from the net loss incurred for 2020. The increase in liabilities and decrease of shareholder's equity leading to our interest bearing debt-to-equity ratio to recorded at 3.2 times compare to 1.7 times at the end of 2019. This ratio was higher than our obligation on financial covenant with our creditors but we already received the waiver letters to revoke the restriction of maintenance of certain financial ratios for the year 2020 from all financial institutions.



The Naka Island, a Luxury Collection Resort & Spa, Phuket

Independent Auditor's Report

To the Shareholders of The Erawan Group Public
Company Limited

Opinion

I have audited the consolidated and separate financial statements of The Erawan Group Public Company Limited and its subsidiaries (the "Group") and of The Erawan Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Valuation of Property, plant and equipment, investments in associates and investments in subsidiaries

Refer to Notes 2(c), 4(l), 10, 11 and 14 to the financial statements.

The key audit matter

To respond to the Group and the Company's growth strategy, the Group and the Company have expanded their activities through hotel development by investing in property plant and equipment, investments in associates and investments in subsidiaries which operated hotel business. Certain hotels have not operated in line with initial expectations. These factors are considered as impairment indicator of hotels.

The Group and the Company hold a number of hotels. The recoverable amount for each hotel has been determined by discounted future cash flows for which require management to make judgements on key assumptions. Overall, due to the involvement of high level of judgement, this is key judgemental areas that my audit is concentrated on.

How the matter was addressed in the audit

My audit procedures included:

- Assessing management's procedures for identify potential impairment and understanding the processes of impairment testing and determining the recoverable amount;

- In respect of each hotel for which an impairment indicator exists, I obtained the discounted future cash flows. In the case that the Group and the Company engaged independent property valuers to assist in the recoverable amount of assets, I evaluated the independence and qualification of the valuer. I also inquired management, tested calculation and evaluated the appropriateness of key assumptions by comparing them against historical data, budget plan of the Group and the Company and external data in the same industry.
- I have also considered the adequacy of disclosures according to Thai Financial Reporting Standards.

Emphasis of Matters

- (1) I draw attention to note 2 and 3 to the financial statements describing the effect of the Group and the Company's adoption from 1 January 2020 of new accounting policies.
- (2) I draw attention to note 5 to the financial statements which describes the impact of the COVID-19 pandemic on the Group's and the Company's business together with management's plan to address these circumstances, and the adoption of the guidance on temporary accounting relief measures providing additional accounting options for the treatment of the impact of COVID-19 pandemic in the financial statements for year ended 31 December 2020.

My opinion is not modified in respect of these matters.

Other Information

Management is 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 those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible 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 skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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



Vilaivan Pholprasert
Certified Public Accountant
Registration No. 8420

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2021

Audit Fee

In 2020, the remuneration paid to the external auditor of KPMG Phomchai Audit Limited as follow

- 1) The total audit fee is Baht 8,567,000 consisting of:
 - a. The audit fee of The Erawan Group Plc. Baht 3,247,000 (excluding transportation out of Bangkok and relevant miscellaneous expenses).
 - b. The audit fee of The Company's subsidiaries in Thailand is totaling Baht 2,870,000
 - c. The audit fee of The Company's subsidiaries in overseas is totaling Baht 2,450,000
- 2) Other service fee
-none-



The Naka Island, a Luxury Collection Resort & Spa, Phuket

Financial Statement

Statement of financial position

The Erawan Group Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2020	2019	2020	2019

(in Baht)

Current assets					
Cash and cash equivalents	7	1,622,576,156	968,888,852	809,562,343	228,015,911
Trade accounts receivable	6, 33	76,587,027	184,569,665	33,782,246	86,423,948
Inventories	8	46,206,847	52,368,060	7,983,180	8,370,932
Value added tax refundable		169,280,764	148,761,180	-	-
Other current assets	6, 9	47,552,898	101,738,165	37,908,867	34,892,176
Total current assets		1,962,203,692	1,456,325,922	889,236,636	357,702,967
Non-current assets					
Investments in associates	10	48,027,252	79,462,813	264,013,705	295,523,281
Investments in subsidiaries	11	-	-	5,192,859,716	5,452,859,686
Other non-current financial assets	12	476,089	871,465	408,179	704,067
Long-term loans to related parties	6	-	-	1,042,874,776	629,968,417
Property, plant and equipment	14	18,721,393,939	14,442,186,592	9,687,738,251	7,954,708,190
Land held for development	15	104,236,832	104,236,832	-	-
Leasehold rights for land and buildings		-	1,380,746,432	-	639,924,370
Intangible assets	16	43,427,703	42,078,928	25,386,660	20,863,506
Deposits for lease of land, building and equipment		158,876,145	162,052,035	96,061,215	101,655,173
Deferred tax assets	30	61,498,986	18,437,449	32,698,867	14,285,982
Other non-current assets	17	114,575,780	147,863,452	4,659,209	17,726,573
Total non-current assets		19,252,512,726	16,377,935,998	16,346,700,578	15,128,219,245
Total assets		21,214,716,418	17,834,261,920	17,235,937,214	15,485,922,212

The accompanying notes from an integral part of the financial statement

Statement of financial position (continued)

The Erawan Group Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2020	2019	2020	2019

(in Baht)

Current liabilities					
Short-term borrowings from financial institutions	18	1,410,000,000	860,000,000	1,400,000,000	860,000,000
Trade accounts payable	6, 19	144,665,333	234,304,224	70,083,684	116,517,593
Current portion of long-term borrowings					
from financial institutions	18	725,889,912	1,176,704,456	269,518,103	632,243,020
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities)	18	73,523,380	891,968	1,093,272	891,968
Income tax payable		523,854	70,058,419	-	24,731,748
Other current liabilities	6, 20	457,741,178	1,018,347,203	203,425,880	537,136,824
Total current liabilities		2,812,343,657	3,360,306,270	1,944,120,939	2,171,521,153
Non-current liabilities					
Long-term loans from related parties	6, 18	-	-	174,114,538	231,251,884
Long-term borrowing from financial institutions	18	10,551,032,535	8,125,247,301	7,676,837,859	5,681,513,962
Lease Liabilities					
(2019: Finance lease liabilities)	18	3,704,774,674	802,263	1,785,215,349	802,263
Accounts payable for land leasehold rights		-	180,000,000	-	180,000,000
Deposits from lessees		29,447,276	43,713,389	3,100,569	40,132,488
Deferred income	21	6,240,963	8,265,060	6,240,963	8,265,060
Deferred tax liabilities	30	52,292,319	50,614,914	-	-
Non-current provisions for employee benefits	22	130,026,412	124,018,309	69,815,605	66,766,526
Total non-current liabilities		14,473,814,179	8,532,661,236	9,715,324,883	6,208,732,183
Total liabilities		17,286,157,836	11,892,967,506	11,659,445,822	8,380,253,336

The accompanying notes from an integral part of the financial statement

Statement of financial position (continued)

The Erawan Group Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2020	2019	2020	2019

(in Baht)

Equity					
Share capital	23				
Authorised share capital		2,788,664,866	2,788,664,866	2,788,664,866	2,788,664,866
Issued and paid-up share capital		2,517,533,185	2,517,533,185	2,517,533,185	2,517,533,185
Shares premium on ordinary shares	23	909,993,447	909,993,447	909,993,447	909,993,447
Employee stock options	23	-	11,505,895	-	11,505,895
Retained earnings					
Appropriated					
Legal reserve	24	271,330,000	271,330,000	271,330,000	271,330,000
Unappropriated		247,336,137	2,227,756,256	1,877,621,505	3,394,997,206
Other components of equity		(133,448,042)	(175,963,580)	13,255	309,143
Equity attributable to owners of the parent		3,812,744,727	5,762,155,203	5,576,491,392	7,105,668,876
Non-controlling interests	13	115,813,855	179,139,211	-	-
Total equity		3,928,558,582	5,941,294,414	5,576,491,392	7,105,668,876
Total liabilities and equity		21,214,716,418	17,834,261,920	17,235,937,214	15,485,922,212

The accompanying notes from an integral part of the financial statement

Statement of comprehensive income

The Erawan Group Public Company Limited and its Subsidiaries

		Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	Note	2020	2019	2020	2019
(in Baht)					
Revenues					
Revenues from hotel operations	6	2,179,942,521	6,146,361,338	984,861,046	2,988,174,066
Rental of units in buildings and service income	6	126,067,063	232,713,251	71,762,801	153,932,671
Dividend income	6	-	-	-	117,401,589
Interest income	6	10,328,407	17,824,402	40,685,015	63,670,124
Other income	6, 26	32,123,575	42,173,693	33,804,099	42,496,793
Total revenues		2,348,461,566	6,439,072,684	1,131,112,961	3,365,675,243
Expenses					
Cost of hotel operations	6	1,409,589,576	2,816,313,177	674,588,440	1,331,005,349
Cost of rental of units in buildings and services	6	55,018,737	83,503,738	32,424,792	45,257,111
Depreciation and amortisation		1,012,017,602	829,512,188	496,274,843	410,899,273
Selling expenses		192,788,778	366,249,316	94,807,075	186,731,308
Administrative expenses	6	812,156,878	1,284,810,997	420,177,650	686,111,701
Loss on impairment of non-financial assets	10, 11, 14	92,500,000	-	278,449,969	18,300,000
Total expenses		3,574,071,571	5,380,389,416	1,996,722,769	2,678,304,742
Profit (loss) from operating activities		(1,225,610,005)	1,058,683,268	(865,609,808)	687,370,501
Loss on impairment of financial assets	6, 33	(37,609,965)	-	(145,628,454)	-
Finance costs	6, 29	(536,117,916)	(401,639,622)	(359,135,601)	(265,197,402)
Share of profit (loss) of associates accounted for using equity method	10	(18,375,985)	309,088	-	-
Profit (loss) before income tax expense		(1,817,713,871)	657,352,734	(1,370,373,863)	422,173,099
Tax income (expense)	30	39,131,352	(154,602,504)	17,591,141	(61,043,274)
Profit (loss) for the year		(1,778,582,519)	502,750,230	(1,352,782,722)	361,129,825

The accompanying notes from an integral part of the financial statement

Statement of comprehensive income (continued)

The Erawan Group Public Company Limited and its Subsidiaries

Note	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	2020	2019	2020	2019

(in Baht)

Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	42,910,914	(36,646,083)	-	-
Gain on remeasurement investments held as available-for-sale	-	223,864	-	167,744
Total items that will be reclassified subsequently to profit or loss	42,910,914	(36,422,219)	-	167,744
<i>Items that will not be reclassified to profit or loss</i>				
Loss on investments in equity instruments designated at fair value through other comprehensive income	(395,376)	-	(295,888)	-
Loss on remeasurements of defined benefit plans	22 (2,321,194)	(11,229,562)	(4,108,723)	(6,235,867)
Income tax relating to items that will not be reclassified	30 464,239	2,245,912	821,745	1,247,173
Total items that will not be reclassified to profit or loss	(2,252,331)	(8,983,650)	(3,582,866)	(4,988,694)
Total comprehensive income (expense) for the year, net of tax	40,658,583	(45,405,869)	(3,582,866)	(4,820,950)
Total comprehensive income (expense) for the year	(1,737,923,936)	457,344,361	(1,356,365,588)	356,308,875
Profit (loss) attributable to:				
Owners of Company	(1,715,256,349)	445,568,598	(1,352,782,722)	361,129,825
Non-controlling interests	13 (63,326,170)	57,181,632	-	-
	(1,778,582,519)	502,750,230	(1,352,782,722)	361,129,825
Total comprehensive income (expense) attributable to :				
Owners of Company	(1,674,598,580)	400,886,749	(1,356,365,588)	356,308,875
Non-controlling interests	13 (63,325,356)	56,457,612	-	-
	(1,737,923,936)	457,344,361	(1,356,365,588)	356,308,875
Earnings (loss) per share (in Baht)	31			
Basic earnings (loss) per share	(0.6813)	0.1773	(0.5373)	0.1437
Diluted earnings (loss) per share	(0.6813)	0.1766	(0.5373)	0.1431

The accompanying notes from an integral part of the financial statement

Statement of changes in equity
The Erawan Group Public Company Limited and its Subsidiaries

	Consolidated financial statements										
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Employee stock options	Retained earnings		Other components of equity		Non-controlling interests	Total equity	
					Legal reserve	Unappropriated	Exchange differences on translating financial statements	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income			Total other components of equity
<i>(in Baht)</i>											
Year ended 31 December 2019	2,507,715,910	871,840,883	15,232,789	253,273,000	2,034,593,417	(139,801,676)	260,315	(139,541,361)	5,543,114,638	165,311,678	5,708,426,316
Balance at 1 January 2019											
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Employee stock options	23	9,817,275	38,152,564	(3,726,894)	-	-	-	-	44,242,945	-	44,242,945
Dividends to owners of the Company	32	-	-	-	-	(226,089,129)	-	-	(226,089,129)	(42,630,079)	(268,719,208)
Total contribution by and distributions to owners of the parent		9,817,275	38,152,564	(3,726,894)	-	(226,089,129)	-	-	(181,846,184)	(42,630,079)	(224,476,263)
Comprehensive income (loss) for the year											
Profit		-	-	-	-	445,568,598	-	-	445,568,598	57,181,632	502,750,230
Other comprehensive income (loss)		-	-	-	-	(8,259,630)	(36,646,083)	223,864	(44,681,849)	(724,020)	(45,405,869)
Total comprehensive income (loss) for the year		-	-	-	-	437,308,968	(36,646,083)	223,864	400,886,749	56,457,612	457,344,361
Transfer to legal reserve	24	-	-	-	18,057,000	(18,057,000)	-	-	-	-	-
Balance at 31 December 2019		2,517,533,185	909,993,447	11,505,895	271,330,000	2,227,756,256	(176,447,759)	484,179	(175,963,580)	179,139,211	5,941,294,414
Year ended 31 December 2020											
Balance at 31 December 2019 - as reported		2,517,533,185	909,993,447	11,505,895	271,330,000	2,227,756,256	(176,447,759)	484,179	(175,963,580)	179,139,211	5,941,294,414
Impact of changes in accounting policy	3	-	-	-	-	(102,000,000)	-	-	(102,000,000)	-	(102,000,000)
Balance at 1 January 2020		2,517,533,185	909,993,447	11,505,895	271,330,000	2,125,756,256	(176,447,759)	484,179	(175,963,580)	179,139,211	5,839,294,414
Transactions with owners, recorded directly in equity											
Contributions by and distributions to owners of the parent											
Employee stock options	23	-	-	(11,505,895)	-	14,921,161	-	-	3,415,266	-	3,415,266
Dividends to owners of the Company	32	-	-	-	-	(176,227,162)	-	-	(176,227,162)	-	(176,227,162)
Total contribution by and distributions to owners of the parent		-	-	(11,505,895)	-	(161,306,001)	-	-	(172,811,896)	-	(172,811,896)
Comprehensive income (expense) for the year											
Loss		-	-	-	-	(1,715,256,349)	-	-	(1,715,256,349)	(63,326,170)	(1,778,582,519)
Other comprehensive income (expense)		-	-	-	-	(1,857,769)	42,910,914	(395,376)	40,657,769	814	40,658,583
Total comprehensive income (expense) for the year		-	-	-	-	(1,717,114,118)	42,910,914	(395,376)	(1,674,598,580)	(63,325,356)	(1,737,923,936)
Balance at 31 December 2020		2,517,533,185	909,993,447	-	271,330,000	247,336,137	(133,536,845)	88,803	(133,448,042)	115,813,855	3,928,558,582

The accompanying notes form an integral part of the financial statement

Statement of changes in equity (continued)

The Erawan Group Public Company Limited and its Subsidiaries

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Employee stock options	Retained earnings		Other component of equity	
					Legal reserve	Unappropriated		
(in Baht)								
Year ended 31 December 2019								
Balance at 1 January 2019		2,507,715,910	871,840,883	15,232,789	253,273,000	3,283,002,204	141,399	6,931,206,185
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
Employee stock options	23	9,817,275	38,152,564	(3,726,894)	-	-	-	44,242,945
Dividends to owners of the Company	32	-	-	-	-	(226,089,129)	-	(226,089,129)
Total contribution by and distributions to owners of the parent		9,817,275	38,152,564	(3,726,894)	-	(226,089,129)	-	(181,846,184)
Comprehensive income (expense) for the year								
Profit		-	-	-	-	361,129,825	-	361,129,825
Other comprehensive income (expense)		-	-	-	-	(4,988,694)	167,744	(4,820,950)
Total comprehensive income for the year		-	-	-	-	356,141,131	167,744	356,308,875
Transfer to legal reserve	24	-	-	-	18,057,000	(18,057,000)	-	-
Balance at 31 December 2019		2,517,533,185	909,993,447	11,505,895	271,330,000	3,394,997,206	309,143	7,105,668,876
Year ended 31 December 2020								
Balance at 1 January 2020		2,517,533,185	909,993,447	11,505,895	271,330,000	3,394,997,206	309,143	7,105,668,876
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
Employee stock options	23	-	-	(11,505,895)	-	14,921,161	-	3,415,266
Dividends to owners of the Company	32	-	-	-	-	(176,227,162)	-	(176,227,162)
Total contribution by and distributions to owners of the parent		-	-	(11,505,895)	-	(161,306,001)	-	(172,811,896)
Comprehensive expense for the year								
Loss		-	-	-	-	(1,352,782,722)	-	(1,352,782,722)
Other comprehensive expense		-	-	-	-	(3,286,978)	(295,888)	(3,582,866)
Total comprehensive expense for the year		-	-	-	-	(1,356,069,700)	(295,888)	(1,356,365,588)
Balance at 31 December 2020		2,517,533,185	909,993,447	-	271,330,000	1,877,621,505	13,255	5,576,491,392

The accompanying notes from an integral part of the financial statement

Statement of cash flows

The Erawan Group Public Company Limited and its Subsidiaries

	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(1,778,582,519)	502,750,230	(1,352,782,722)	361,129,825
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Income tax expense	(39,131,352)	154,602,504	(17,591,141)	61,043,274
Finance costs	536,117,916	401,639,622	359,135,601	265,197,402
Depreciation and amortisation	1,012,017,602	829,512,188	496,274,843	410,899,273
Difference from reduction of lease payment	15,483,404	-	12,564,115	-
Provisions for employee benefits	14,248,539	33,212,082	8,194,384	17,015,061
Share-based payment	3,415,266	7,059,736	3,415,266	7,059,736
Share of (profit) loss of associates accounted for using equity method	18,375,985	(309,088)	-	-
Loss on impairment of financial assets and non-financial assets	130,109,965	(449,684)	424,078,423	18,337,514
(Gain) loss on disposal of building and equipment	(1,054,005)	(13,960)	(1,678,615)	43,558
Loss on non-refundable withholding tax deducted at source	318,193	129,477	-	-
Recognised rental deposits and deferred income to income	(2,369,052)	(2,636,317)	(2,309,613)	(2,587,122)
Dividend income	-	-	-	(117,401,589)
Interest income	(10,328,407)	(17,824,402)	(40,685,015)	(63,670,124)
	(101,378,465)	1,907,672,388	(111,384,474)	957,066,808

The accompanying notes from an integral part of the financial statement

Statement of cash flows (continued)

The Erawan Group Public Company Limited and its Subsidiaries

	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	2020	2019	2020	2019
<i>(in Baht)</i>				
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	70,456,141	20,893,270	25,251,985	14,458,101
Inventories	6,161,213	3,062,304	387,752	3,156,650
Value added tax refundable	(15,922,268)	(5,796,312)	-	-
Other current assets	27,462,071	(1,485,154)	(5,162,301)	8,033,242
Deposits for lease of land, building and equipment	5,841,691	(15,771,235)	5,593,958	118,257
Other non current assets	4,519,033	(30,357,281)	(1,067,056)	30,132,050
Trade accounts payable	(89,160,103)	9,144,963	(46,433,909)	13,704,010
Employee benefits paid	(10,577,624)	(3,091,755)	(9,254,028)	(1,256,488)
Other current liabilities	(335,837,149)	51,661,864	(252,258,751)	24,081,332
Deposits from lessees	(13,868,566)	(1,602,348)	(36,746,403)	(2,708,808)
Net cash generated from (used in) operating	(452,304,026)	1,934,330,704	(431,073,227)	1,046,785,154
Income tax paid	(83,483,475)	(154,389,059)	(28,084,254)	(62,286,193)
Net cash from (used in) operating activities	(535,787,501)	1,779,941,645	(459,157,481)	984,498,961
<i>Cash flows from investing activities</i>				
Investments in associates	13,059,576	13,182,846	13,059,576	13,182,846
Investments in subsidiaries	-	-	-	(1,311,700,000)
Other non-current financial assets	-	98,918	-	74,238
Long-term loans to related parties	-	-	(663,124,234)	(847,604,351)
Proceeds from repayment of long-term loans to related parties	-	-	133,042,573	1,522,163,343
Acquisition of property, plant and equipment	(614,221,729)	(1,713,802,809)	(116,273,553)	(885,526,927)
Acquisition of leasehold rights for land and buildings	-	(82,893,746)	-	-
Acquisition of intangible assets	(14,922,473)	(14,432,076)	(12,049,339)	(9,596,597)
Proceeds from sales of building and equipment	3,126,920	2,354,051	3,059,548	1,272,347
Dividends received	-	-	-	117,401,589
Interest received	10,769,864	17,636,233	39,587,335	63,357,403
Net cash used in investing activities	(602,187,842)	(1,777,856,583)	(602,698,094)	(1,336,976,109)

The accompanying notes from an integral part of the financial statement

Statement of cash flows (continued)

The Erawan Group Public Company Limited and its Subsidiaries

	Consolidated financial statements Year ended 31 December		Separate financial statements Year ended 31 December	
	2020	2019	2020	2019
<i>(in Baht)</i>				
Cash flows from financing activities				
Proceeds from short-term borrowings				
from financial institutions	2,350,000,000	2,456,000,000	2,340,000,000	2,456,000,000
Repayment of short-term borrowings				
from financial institutions	(1,800,000,000)	(2,345,000,000)	(1,800,000,000)	(2,345,000,000)
Proceeds from short-term loans from a related party	-	-	-	355,970,504
Repayment of short-term loans from a related party	-	-	-	(355,970,504)
Proceeds from long-term loans from related parties	-	-	30,936,438	167,617,834
Repayment of long-term loans from related parties	-	-	(87,831,837)	(112,879,178)
Proceeds from long-term borrowings				
from financial institutions	2,080,683,500	2,031,719,681	1,698,250,000	1,532,000,000
Repayment of long-term borrowings				
from financial institutions	(129,656,026)	(1,561,820,055)	(65,188,750)	(844,311,125)
Payment of lease liabilities				
<i>(2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)</i>	(196,035,976)	(906,727)	(52,291,714)	(906,727)
Proceeds from exercises of share options	-	37,183,209	-	37,183,209
Dividends paid to owners of the Company	(176,227,162)	(226,089,129)	(176,227,162)	(226,089,129)
Dividends paid to non-controlling interests	-	(42,630,079)	-	-
Finance costs	(343,350,811)	(421,371,715)	(244,244,968)	(282,819,789)
Net cash from (used in) financing activities	1,785,413,525	(72,914,815)	1,643,402,007	380,795,095
Net increase (decrease) in cash and cash equivalents				
before effect of exchange rates	647,438,182	(70,829,753)	581,546,432	28,317,947
Effect of exchange rate changes on cash and cash equivalents	6,249,122	(11,571,052)	-	-
Net increase (decrease) in cash and cash equivalent	653,687,304	(82,400,805)	581,546,432	28,317,947
Cash and cash equivalents at 1 January	968,888,852	1,051,289,657	228,015,911	199,697,964
Cash and cash equivalents at 31 December	1,622,576,156	968,888,852	809,562,343	228,015,911
Non-cash transactions				
Acquisition of building and equipment, and intangible assets for which payment had not yet been made	11,416,257	124,522,459	4,044,964	86,110,816

The accompanying notes from an integral part of the financial statement

Notes to the financial statements

The Erawan Group Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2021.

1 General information

The Erawan Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in June 1994. The Company’s registered office at 2 Sukhumvit Road, Klong Toey Subdistrict, Klong Toey District, Bangkok. The Company has 15 branches in Bangkok, Chonburi, Phuket, Suratthani, Prachuap Khiri Khan and Krabi.

The principal businesses of the Company are engaged as a holding company with investments in various companies, engaged in hotel business, and in building rental business. Details of the Company’s associates and subsidiaries as at 31 December 2020 and 2019 are given in note 10 and 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS the following

- TFRS Financial instruments standards which comprise of TFRS 9 Financial Instruments and relevant standards and interpretations which have no material impact to the financial statements and
- TFRS 16 Leases and disclosed impact from changes to significant accounting policy is disclosed in note 3

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand/ million unless otherwise stated.

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(j) and 14 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options.
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

5 Impact of COVID-19 pandemic; and

10 Equity-accounted investees: whether the Group has significant influence over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(j) Determining the incremental borrowing rate to measure lease liabilities;

5 Impact of COVID-19 pandemic;

10,11 and 14 Impairment testing about significant judgements made in determining the recoverable amount;

22 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

30 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and

33 Determining the fair value of financial instruments on the basis of significant unobservable inputs.

3 Change in accounting policy

TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an arrangement contains a lease using the modified retrospective approach.

Previously, the Group, as a lessee, recognised in profit or loss on a systematic basis over the term of the lease and on a straight-line basis for leases begin on or after 1 January 2008. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review

Impact from the adoption of TFRS 16	Consolidated financial statements	Separate financial statements
<i>(in thousand Baht)</i>		
<i>At 1 January 2020</i>		
Increase in property, plant and equipment (right-of-use)	4,854,161	2,197,873
Increase in allowance for impairment on right-of-use	(102,000)	-
Decrease in leasehold rights for land and buildings	(1,380,746)	(639,924)
Decrease in other current assets	(28,582)	(2,180)
Decrease in other non-current assets	(40,865)	(17,487)
Decrease in other current liabilities	168,215	46,580
Decrease in accounts payable for land leasehold rights	180,000	180,000
Increase in lease liabilities	(3,764,992)	(1,764,862)
Decrease in retained earning	102,000	-
Exchange differences on translating foreign operations	12,809	-
	<u>-</u>	<u>-</u>

Measurement of lease liability	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Operating lease commitment at 31 December 2019	6,508,775	3,042,670
Recognition exemption for short-term leases and leases of low-value assets	(11,378)	(6,007)
Extension and termination options reasonably certain to be exercised	1,392,105	631,972
	<u>7,889,502</u>	<u>3,668,635</u>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	3,764,992	1,764,862
Finance lease liabilities recognised as at 31 December 2019	1,694	1,694
Lease liabilities recognised at 1 January 2020	<u>3,766,686</u>	<u>1,766,556</u>
Weighted-average incremental borrowing rate (% per annum)	<u>5.69</u>	<u>4.71</u>

Increase in property, plant and equipment from right-of-use assets and lease liabilities shown above were presented as part of hotel business and rental and building management business segments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries and associates

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

Disposal of investments in the separate financial statements

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

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transaction.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transaction.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) *Classification and subsequent measurement*

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment,

'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies applicable from 1 January 2019

Investments in equity securities

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as being available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses on available-for-sale monetary items, are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

(f) Trade and other accounts receivable and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Property, plant and equipment and land held for development

Recognition and measurement

Owned assets

Lands are measured at cost less impairment losses. Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Land held for development is measured at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment and land held for development are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and land held for development, and are recognised net in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Building and improvements	5 - 40	years
Furniture, fixtures and equipment	5 - 10	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction and land held for development.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Hotel operating equipment consists of linen, crockery, glass, silver and kitchen utensils purchased to meet the normal requirements of the hotel operations have been regarded as a base stock and subsequent purchases are expended when incurred.

(i) *Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licences	5 - 10	years
-------------------	--------	-------

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) *Leases*

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'rental income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

Leasehold rights

Leasehold rights comprise leasehold rights for land and buildings are stated at cost less accumulated amortisation and impairment losses. Leasehold rights are amortised on a straight-line basis over the terms of leases.

Payments made under operating leases are recognised in profit or loss on a systematic basis over the term of the lease and on a straight-line basis for leases begin on or after 1 January 2008. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(k) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(I) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has

been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(o) *Provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(q) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

Revenue from hotel operations

Hotel revenues from room, food and beverages and other services are recognised when the rooms are occupied, food and beverages are sold and the services are rendered.

Customer loyalty programme

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

(r) *Other income*

Other income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(s) *Deferred income*

The Company recognises deferred rental income as income on a straight-line basis over the term of the lease.

(t) *Interest*

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(u) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) *Earnings per share*

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of share options granted to employees.

(w) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) Segment reporting

Segment results that are reported to the Group's the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets of the Company's headquarters, head office expenses, and tax assets and liabilities.

5 Impact of COVID-19 pandemic

Due to the COVID-19 pandemic at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic. The management is closely monitoring the situation to ensure the safety of the Group's and the Company's staff and client and to manage the negative impact on the business as much as possible. In an effort to contain the impact of the COVID-19 pandemic, management decided to temporarily close hotels in Philippines from 19 March 2020 and hotels in Thailand from 1 April 2020. This conformed with the orders of several provincial governments to temporarily cease operation or reduce operating hours starting in March 2020. However, hotels had been reopening again starting from May 2020 onwards. The management is continuously taking corrective actions to address this situation in order to lessen the impact on the Group's and the Company's assets and operations.

The Group's business was significantly affected by the COVID-19, resulting in a significant decline in revenue. The Group and the Company incurred a net loss for the year ended 31 December 2020 in the consolidated and separate statements of comprehensive income of Baht 1,737.92 million and Baht 1,356.37 million, respectively. The Group has implemented policies and procedures in order to manage its liquidity risk including obtaining the lenders' waiver letters to revoke the restriction of maintenance of certain financial ratio and rescheduling the repayment of loan principal.

At 31 December 2020, the situation of COVID-19 pandemic is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group and the Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 pandemic on the following:

(a) Impairment of assets

The Group and the Company considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group and the Company elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment, investment in associates, and investment in subsidiaries.

(b) *Lease modifications*

From April 2020, the Group and the Company has been granted a rent concession for certain leases as a result of the COVID-19 situation. The Group and the Company has monthly deducted lease liabilities in proportion to the reduced rental, reversed depreciation of ROU assets and interest on lease liabilities in proportion to the reduced rental, and recognised the difference to the statement of profit and loss for year ended 31 December 2020.

(c) *Deferred tax assets*

The Group and the Company elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

6 Related parties

Relationships with associates and subsidiaries are described in notes 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Rajprasong Square Co., Ltd.	Thailand	Related company, 23.29% direct shareholding
Chai Talay Hotel Co., Ltd.	Thailand	Related company, director is closed relative to the Company's director
Mitr Phol Sugar Co., Ltd.	Thailand	Related company, some common directors
Banpu Public Company Limited	Thailand	Related company, some common directors
The Syndicate of Thai Hotels & Tourists Enterprises Ltd.	Thailand	Related company, some common directors and 26.36% shareholding in a subsidiary of the Company
Kiatnakin Bank Public Company Limited	Thailand	Related company, some common directors
Sushi Ichi (Thailand) Co., Ltd.	Thailand	Related company, some common directors
Kuppadeli Co., Ltd	Thailand	Related company, some common directors
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Subsidiaries	
Dividend income	At the rate of declaration
Interest income and interest expenses	At the rate of 2.63% - 4.45 % per annum (2019: at the rate of 4.09% - 4.45% per annum)
Utility income	Contractually agreed prices
Other service income	Contractually agreed prices
Space rental expenses	Contractually agreed prices
Associates	
Management fee	At cost - allocated in proportion to shareholding
Land and building rental expenses	Contractually agreed prices

Transactions	Pricing policies
Other related parties	
Revenue from hotel operations	Fair price under the best conditions
Rental of units in buildings and services income	Contractually agreed prices
Utility income	Contractually agreed prices
Land rental expense	Contractually agreed prices
Dividends	At the rate of declaration

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Subsidiaries				
Dividend income	-	-	-	117,402
Interest income	-	-	39,934	63,116
Utility income	-	-	846	2,939
Other service income	-	-	18,772	18,709
Expenses relating to short-term leases	-	-	8,437	-
Service expenses				
<i>(2019: Space rental and service expenses)</i>	-	-	6,113	16,377
Interest expenses	-	-	7,136	11,057
Associates				
Land and building rental expenses	-	72,500	-	-
Lease payment	72,500	-	-	-
Interest on lease liabilities	20,651	-	-	-
Management fee	740	739	740	739
Other related parties				
Revenue from hotel operations	3,854	12,862	1,952	6,291
Rental of units in buildings and services income	2,547	5,108	1,970	4,099
Utility income	1,102	1,602	1,102	1,602
Land rental expense	-	14,120	-	-
Lease payment	14,120	-	-	-
Interest on lease liabilities	9,204	-	-	-
Dividends	-	42,630	-	-
Key management personnel compensation				
Short-term employee benefits	48,057	65,661	39,662	55,291
Post-employment benefits	1,087	2,934	1,087	2,934
Total key management personnel compensation	49,144	68,595	40,749	58,225

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	-	169
Other related parties	773	2,094	219	1,654
Total	773	2,094	219	1,823
<i>Other receivables</i>				
Subsidiaries	-	-	20,336	8,467
<i>Prepaid expenses</i>				
Other related party	-	7,060	-	-

Loans to	Interest rate At 31 December	Separate financial statements			
		At 1 January	Increase	Decrease	At 31 December
	(% per annum)	(in thousand Baht)			
2020					
Subsidiaries	3.32	629,968	664,188	(133,042)	1,161,114
Less allowance for expected credit loss		-			(118,239)
		<u>629,968</u>			<u>1,042,875</u>
2019					
Subsidiaries	4.09	1,304,215	847,917	(1,522,164)	629,968
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Expected credit losses of loans to a subsidiary for the year		-	-	118,239	-

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Trade accounts payables</i>	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	257	191
<i>Other payables</i>				
Subsidiaries	-	-	1,555	332
<i>Accrued expenses</i>				
Associate	-	8,144	-	-
<i>Lease liabilities</i>				
Associate	480,173	-	-	-
Other related party	176,689	-	-	-
	656,862	-	-	-
<i>Deposit received</i>				
Other related party	1,637	1,708	1,316	1,386

Movement during the years period ended 31 December of loans from related parties were as follows:

Loans from	Interest rate At 31 December	Separate financial statements			
		At 1 January	Increase	Decrease	At 31 December
	<i>(% per annum)</i>	<i>(in thousand Baht)</i>			
<i>2020</i>					
<i>Long-term loans</i>					
Subsidiaries	3.32, 3.38	231,252	30,883	(88,020)	174,115
<i>2019</i>					
<i>Short-term loans</i>					
Subsidiaries	-	-	355,971	(355,971)	-
<i>Long-term loans</i>					
Subsidiaries	4.09, 4.45	176,345	167,787	(112,880)	231,252

Significant agreements with related parties

Long-term asset lease agreements

On 9 November 1987, Erawan Hotel Public Company Limited, a subsidiary, entered into an agreement with a related company to lease land for a term of 30 years up to the year 2021, could be extended for further period subject to certain conditions in the agreement. Under the terms of this agreement, the subsidiary shall pay lease remuneration of Baht 120.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon termination of the agreement, the ownership of buildings and building improvements on the leased land, including equipment, furniture and tools necessary for hotel operations, shall be transferred to the lessor.

On 12 October 2015, the subsidiary submitted their request for the lease extension and follow the required process. Subsequently on 1 July 2019, the subsidiary gained approval of another 20 years lease renewal from the related party. As of 31 December 2020, the subsidiary, the related party and other related government departments are on the process of negotiation and preparation the draft of lease renewal agreement. The management believe that, after the negotiation is completed and the draft agreement approved, the subsidiary and the related party are going to sign the renewal lease agreement. The agreement renewal process has no effect to the hotel operation.

On 27 March 2013, Erawan Growth Management Company Limited, a subsidiary, entered into a lease agreement with the Fund to lease the land, buildings, infrastructures, furniture, equipment and facilities of IBIS Hotels at Patong and Pattaya, for a period of three years. The counter parties have a right to extend the agreements for five times by notice in advance at least 60 days before expiration. The lease agreements can be extended for further periods of three years each time for the first to the fourth extension and can be extended not more than four months for the fifth time with a fixed rental fee and variable rental fee in accordance with the conditions stipulated in the agreement. Furthermore, the mentioned subsidiary agreed to guarantee the minimum rental income that the Fund shall be received from the subsidiary over the period of 4 years from the lease agreement date. The guaranteed income is Baht 111.5 million per year, totaling Baht 446 million. If the subsidiary cannot pay any shortfall in the guaranteed income, the Company shall provide financial support to the subsidiary to the extent of such shortfall. The lessee does not have an option to repurchase the leased assets under the agreement.

On 31 March 2016, Erawan Growth Management Company Limited, a subsidiary, entered into a new lease agreement with the Fund to lease the land, buildings, infrastructures, furniture, equipment and facilities of IBIS Hotels at Patong and Pattaya, for a period of three years. The counter parties have a right to extend the agreements for fourth times by notice in advance at least 60 days before expiration. The lease agreements can be extended for further periods of three years each time for the first to the third extension and can be extended not more than four months for the fourth time with a fixed rental fee and variable rental fee in accordance with the conditions stipulated in the agreement. After the counter party exercise its option to renew the agreement for three times, the counter party has a right to negotiate for extending the right to renew the agreement additional to the aforesaid terms within 31 March 2027 subject to the condition stipulated in the agreement.

Loan to and loan from related parties agreements

The Company entered into loan to agreements with 4 subsidiaries and loan from agreements with 4 subsidiaries in terms of promissory notes which bore interest at stated in promissory. These loans are repayable at call. At 31 December 2020 the Company and subsidiaries signed an addendum not to call loan within one year. Therefore, loan to subsidiaries and loan from subsidiaries are classified as non-current assets and non-current liabilities, respectively.

Management has assessed the allowance for of expected credit loss of loan to a subsidiary. As a result, the Company recognised expected credit loss of loan of Baht 118.2 million in the separate financial statement of comprehensive income for the year ended 31 December 2020.

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	8,883	12,197	3,099	4,033
Cash at banks	915,494	722,778	456,331	223,983
Highly liquid short-term investments	698,199	233,914	350,132	-
Total	1,622,576	968,889	809,562	228,016

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Food and beverage	32,771	38,673	7,563	7,602
Operating supplies	9,637	8,974	81	94
Others	3,799	4,721	339	675
Total	46,207	52,368	7,983	8,371

9 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Prepaid expenses	32,377	57,343	14,136	12,627
Other receivables	3,912	17,841	20,336	8,470
Others	11,264	26,554	3,437	13,795
Total	47,553	101,738	37,909	34,892

10 Investments in associates

Consolidated financial statements											
Type of business	Ownership interest		Paid-up capital		Cost		Equity		Fair value of listed security		Dividend Income for the year
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
	(%)		(in million Baht)						(in thousand Baht)		
Associates											
Rajprasong Development Co., Ltd.	48.00	48.00	1.00	1.00	338	338	338	338	-	-	-
Erawan Hotel Growth Property Fund	20.00	20.00	1,549.63	1,614.93	309,926	322,985	47,689	79,125	149,333	181,383	-
Total					310,264	323,323	48,027	79,463		-	-

Separate financial statements											
Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Fair value of listed security	Dividend Income for the year
2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
(%)		(in million Baht)		(in thousand Baht)							
48.00	48.00	1.00	1.00	338	338	-	-	338	338	-	-
20.00	20.00	1,549.63	1,614.93	309,926	322,985	(46,250)	(27,800)	263,676	295,185	149,333	181,383
Total				310,264	323,323	(46,250)	(27,800)	264,014	295,523	-	-

All associates were incorporated and mainly operate in Thailand.

Fair value of investment in associate has been disclosed by using closing price of listed security. The fair value measurement is determined to be level 2 of the fair value hierarchy identified in TFRS 13 Fair Value Measurement.

During the year ended 31 December 2020 there was no acquisition and disposal of investments in associates.

On 30 January 2020, the associate declared the capital reduction and paid back for such capital reduction to the Company amounting to Baht 4.59 million on 3 March 2020.

On 30 April 2020, the associate declared the capital reduction and paid back for such capital reduction to the Company amounting to Baht 5.57 million on 1 June 2020.

On 30 October 2020, the associate declared the capital reduction and paid back for such capital reduction to the Company amounting to Baht 2.90 million on 1 December 2020.

On 30 January 2019, the associate declared the capital reduction and paid back for such capital reduction to the Company amounting to Baht 4.12 million on 1 March 2019.

On 7 May 2019, the associate declared the capital reduction and paid back for such capital reduction to the Company amounting to Baht 6.16 million on 4 June 2019.

On 5 November 2019, the associate declared the capital reduction and paid back for such capital reduction to the Company amounting to Baht 2.90 million on 4 December 2019.

Impairment of investment in associate

Management reviewed and tested impairment of investment in an associate in which impairment indicator existed by determining recoverable amount of investment from the value in use of the hotels which are cash-generating units. The discounted cash flow projection ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 9% discount rate.

The recoverable amount of investment in associate was less than the carrying amount. As a result, the Company recognised an impairment loss of Baht 18.45 million in the separate statements of comprehensive income for the year ended 31 December 2020.

Associate

The following table summarises the financial information of the associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

Erawan Hotel Growth Property Fund		
	2020	2019
	<i>(in thousand Baht)</i>	
Income	72,539	72,569
Expenses	(5,569)	(6,255)
Net investments income	66,970	66,314
Net loss from investments	(158,850)	(64,768)
Increase (decrease) in net assets from operations	(91,880)	1,546
Attributable to Group	(18,376)	309
Assets	1,319,060	1,476,273
Liabilities	(509)	(544)
Net assets	1,318,551	1,475,729
Group's interest in net assets of investee at 1 January before adjustments	295,146	308,020
Elimination	(216,021)	(216,021)
Group's interest in net assets of investee at 1 January after adjustments	79,125	91,999
Increase (decrease) in net assets from operations		
Attribute to the Group	(18,376)	309
Capital reduction	(13,060)	(13,183)
Carrying amount of interest in investee at 31 December	47,689	79,125

11 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income from those investments for the years then ended, were as follows:

Subsidiaries	Type of business	Separate financial statements											
		Ownership Interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Direct Subsidiaries</i>													
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand Baht)</i>									
		(<i>in million Baht</i>)		<i>(in thousand</i>									

Subsidiaries	Type of business	Country of operation	Separate financial statements											
			Ownership Interest		Paid-up capital		Cost		Impairment		At cost – net		Dividend income for the year	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Indirect subsidiaries</i>														
Taveesapanan Company Limited	Hotel	Thailand	99.99	99.99	60.00	60.00	-	-	-	-	-	-	-	-
Erawan Mauritius Limited	Holding company	Mauritius	100.00	100.00	1,510.11	1,213.79	-	-	-	-	-	-	-	-
Erawan Singapore Pte. Ltd.	Holding company	Singapore	100.00	100.00	1,506.32	1,204.01	-	-	-	-	-	-	-	-
Erawan Philippines, INC.	Holding company	Philippines	99.99	99.99	1,410.19	1,116.22	-	-	-	-	-	-	-	-
Erawan Philippines (Ermita), INC.	Hotel	Philippines	99.99	99.99	112.24	99.99	-	-	-	-	-	-	-	-
Erawan Philippines (Makati), INC.	Hotel	Philippines	99.99	99.99	116.08	78.06	-	-	-	-	-	-	-	-
Erawan Philippines (Aseana), INC.	Hotel	Philippines	99.99	99.99	110.37	110.37	-	-	-	-	-	-	-	-
Erawan Philippines (Alabang), INC.	Hotel	Philippines	99.99	99.99	81.28	81.28	-	-	-	-	-	-	-	-
Erawan Philippines (Quezon City), INC.	Hotel	Philippines	99.99	99.99	169.82	169.82	-	-	-	-	-	-	-	-
Erawan Philippines (Ortigas), INC.	Hotel	Philippines	99.99	99.99	115.24	115.24	-	-	-	-	-	-	-	-
Erawan Philippines (Cebu), INC.	Hotel	Philippines	99.99	99.99	534.58	371.09	-	-	-	-	-	-	-	-
Erawan Philippines (BGC), INC.	Hotel	Philippines	99.99	-	10.81	-	-	-	-	-	-	-	-	-
PT. Erawan Indonesia Jakarta	Hotel	Indonesia	99.54	99.96	7.03	74.03	-	-	-	-	-	-	-	-
							-	-	-	-	-	-	-	-

Direct Subsidiaries

All direct subsidiaries were incorporated and operate in Thailand.

Impairment of investment in a subsidiary

Management reviewed and tested impairment of investments in certain subsidiaries in which impairment indicator existed by determining recoverable amount of investments from the value in use of the hotel which is cash-generating unit. The discounted cash flow projections ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 9% discount rate.

The recoverable amounts of investments in Erawan Naka Company Limited and Erawan Growth Management Company Limited were less than carrying amount. As a result, the Company recognised impairment losses of Baht 211.8 million and Baht 48.2 million, respectively in the separate financial statements of comprehensive income for the year ended 31 December 2020. (31 December 2019: Nil and Baht 18.3 million, respectively)

Indirect subsidiaries

Taveesapanan Company Limited

As at 31 December 2020, Taveesapanan Company Limited, an indirect subsidiary, has authorised share capital of 6,000,000 ordinary shares at a par value of Baht 10, totaling Baht 60,000,000 and paid-up share capital of Baht 60,000,000 which is 99.99% holding and paid by Erawan Hop Inn Company Limited of Baht 59,999,970.

Erawan Mauritius Limited

As at 31 December 2020, Erawan Mauritius Limited, an indirect subsidiary, has authorised share capital of 46,227,000 ordinary shares at a par value of USD 1, totaling USD 46,227,000 which have been wholly acquired and fully paid of USD 46,227,000 by Erawan Hop Inn Company Limited. During 2020, there was a change in investment in Erawan Mauritius Limited as follow:

On 15 January 2020, Erawan Mauritius Limited registered the increase of the authorised share capital by issuing 9,775,000 ordinary shares at a par value of USD 1, totaling USD 9,775,000 which have been wholly acquired and fully paid by Erawan Hop Inn Company Limited on 16 January 2020.

Erawan Singapore Pte. Ltd.

As at 31 December 2020, Erawan Singapore Pte. Ltd., an indirect subsidiary, has authorised share capital of 46,082,000 ordinary shares at a par value of USD 1, totaling USD 46,082,000 which have been wholly acquired and fully paid of USD 46,082,000 by Erawan Mauritius Limited. During 2020, there was a change in investment in Erawan Singapore Pte. Ltd. as follow:

On 30 January 2020, Erawan Singapore Pte. Ltd., registered the increase of the authorised share capital by issuing 9,750,000 ordinary shares at a par value of USD 1, totaling USD 9,750,000 which have been wholly acquired and fully paid by Erawan Mauritius Limited on 30 January 2020.

Erawan Philippines, INC.

As at 31 December 2020, Erawan Philippines, INC., an indirect subsidiary, has authorised share capital of 2,400,000,000 ordinary shares at a par value of PHP 1, totaling PHP 2,400,000,000 and paid-up share capital of PHP 2,188,191,273 which is 99.99% holding and paid by Erawan Singapore Pte. Ltd. of PHP 2,188,191,267. During 2020, there were changes in investment in Erawan Philippines, INC. as follows:

On 17 February 2020, Erawan Singapore Pte. Ltd. paid for the share capital of Erawan Philippines, INC., totaling PHP 206,533,227.

On 17 December 2020, Erawan Philippines, INC., registered the increase of the authorised share capital by issuing 500,000,000 shares at a par value of PHP 1, totaling PHP 500,000,000 which have been partially paid by Erawan Singapore Pte. Ltd. of PHP 288,191,273 on 17 December 2020.

Erawan Philippines (Ermita), INC.

As at 31 December 2020, Erawan Philippines (Ermita), INC., an indirect subsidiary, has authorised share capital of 161,000,000 ordinary shares at a par value of PHP 1, totaling PHP 161,000,000 and paid-up share capital of PHP 161,000,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 160,999,994. During 2020, there was a change in investment in Erawan Philippines (Ermita), INC. as follow:

On 11 December 2020, Erawan Philippines (Ermita), INC., registered the increase of the authorised share capital by issuing 20,000,000 shares at a par value of PHP 1, totaling PHP 20,000,000 which have been wholly acquired and fully paid by Erawan Philippines, INC. on 11 December 2020.

Erawan Philippines (Makati), INC.

As at 31 December 2020, Erawan Philippines (Makati), INC., an indirect subsidiary, has authorised share capital of 170,000,000 ordinary shares at a par value of PHP 1, totaling PHP 170,000,000 and paid-up share capital of PHP 170,000,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 169,999,994. During 2020, there was a change in investment in Erawan Philippines (Makati), INC. as follow:

On 8 October 2020, Erawan Philippines (Makati), INC., registered the increase of the authorised share capital by issuing 60,000,000 shares at a par value of PHP 1, totaling PHP 60,000,000 which have been wholly acquired and fully paid by Erawan Philippines, INC. on 8 October 2020.

Erawan Philippines (Aseana), INC.

As at 31 December 2020, Erawan Philippines (Aseana), INC., an indirect subsidiary, has authorised share capital of 160,000,000 ordinary shares at a par value of PHP 1, totaling PHP 160,000,000 and paid-up share capital of PHP 160,000,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 159,999,993.

Erawan Philippines (Alabang), INC.

As at 31 December 2020, Erawan Philippines (Alabang), INC., an indirect subsidiary, has authorised share capital of 120,000,000 ordinary shares at a par value of PHP 1, totaling PHP 120,000,000 and paid-up share capital of PHP 120,000,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 119,999,994.

Erawan Philippines (Quezon City), INC.

As at 31 December 2020, Erawan Philippines (Quezon City), INC., an indirect subsidiary, has authorised share capital of 332,000,000 ordinary shares at a par value of PHP 1, totaling PHP 332,000,000 and paid-up share capital of PHP 277,500,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 277,499,994.

Erawan Philippines (Ortigas), INC.

As at 31 December 2020, Erawan Philippines (Ortigas), INC., an indirect subsidiary, has authorised share capital of 180,000,000 ordinary shares at a par value of PHP 1, totaling PHP 180,000,000 and paid-up share capital of PHP 180,000,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 179,999,994.

Erawan Philippines (Cebu), INC.

As at 31 December 2020, Erawan Philippines (Cebu), INC., an indirect subsidiary, has authorised share capital of 860,000,000 ordinary shares at a par value of PHP 1, totaling PHP 860,000,000 and paid-up share capital of PHP 860,000,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 859,999,994. During 2020, there was a change in investment in Erawan Philippines (Cebu), INC. as follow:

On 29 July 2020, Erawan Philippines (Cebu), INC., registered the increase of the authorised share capital by issuing 260,000,000 shares at a par value of PHP 1, totaling PHP 260,000,000 which have been wholly acquired and fully paid by Erawan Philippines, INC. on 29 July 2020.

Erawan Philippines (BGC), INC.

As at 31 December 2020, Erawan Philippine (BCG), INC., an indirect subsidiary, has authorised share capital of 280,000,000 ordinary shares at a par value of PHP 1, totaling PHP 280,000,000 and paid-up share capital of PHP 17,500,000 which is 99.99% holding and paid by Erawan Philippines, INC. of PHP 17,499,995. During 2020, there was a change in investment in Erawan Philippines (BCG), INC. as follow:

On 6 May 2020, Erawan Philippine (BCG), INC., registered a corporation and had authorised share capital of PHP 280,000,000 comprised of 280,000,000 ordinary shares at a par value of PHP 1 which Erawan Philippines, INC. invested in 99.99% of Erawan Philippine (BCG), INC. and partially paid by Erawan Philippines, INC. of PHP 17,499,995 on 3 June 2020.

PT. Erawan Indonesia Jakarta

As at 31 December 2020, PT. Erawan Indonesia Jakarta., an indirect subsidiary, has authorised share capital of 4,000 ordinary shares at a par value of USD 95, totaling USD 380,000 and paid-up share capital of USD 218,500 which is 99.96% holding and paid by Erawan Singapore Pte. Ltd. of USD 218,405. During 2020, there was a change in investment in PT. Erawan Indonesia Jakarta as follows:

On 25 August 2020, the Board of Director's Meeting approved the dissolution of this subsidiary.

On 25 November 2020, the company registered for par value reduction by reducing the authorised share capital of 4,000 shares at USD 1,000 per share to USD 95 per share, amounting to USD 3,620,000. The liquidation process has been carried accordingly.

12 Other non-current financial assets

	Equity interest		Consolidated financial statements	
	2020	2019	2020	2019
	(%)		(in thousand Baht)	
<i>Related companies</i>				
Rajprasong Square Co., Ltd.	23.29	23.29	206	206
The Asia Recovery 2 Fund	0.17	0.17	270	665
Total			476	871

	Equity interest		Separate financial statements	
	2020	2019	2020	2019
	(%)		(in thousand Baht)	
<i>Related companies</i>				
Rajprasong Square Co., Ltd.	23.29	23.29	206	206
The Asia Recovery 2 Fund	0.13	0.13	202	498
Total			408	704

13 Non-controlling interests

The following table summarises the information relating to the Group's subsidiary that has a material non-controlling interest.

Erawan Hotel Public Company Limited		
31 December		
	2020	2019
<i>(in thousand Baht)</i>		
Non-controlling interest percentage	26.36%	26.36%
Current assets	220,017	399,679
Non-current assets	1,033,446	983,789
Current liabilities	(528,154)	(431,121)
Non-current liabilities	(285,959)	(272,764)
Net assets	439,350	679,583
Carrying amount of non-controlling interest	115,814	179,139
Revenue	389,118	1,386,322
Profit (Loss)	(240,236)	216,926
Other comprehensive income	3	(2,747)
Total comprehensive income	(240,233)	214,179
Profit (loss) allocated to non-controlling interest	(63,326)	57,182
Other comprehensive income (loss) allocated to non-controlling interest	1	(724)
Cash flows from operating activities	(106,626)	378,545
Cash flows from investing activities	(19,031)	(22,840)
Cash flows from financing activities (dividends to non-controlling interest: nil (31 December 2019: Baht 42.6 million))	(13,876)	(476,768)
Net decrease in cash and cash equivalents	(139,533)	(121,063)

14 Property, plant and equipment

	Consolidated financial statements								
	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Right-of-Use land and buildings	Right-of-Use furniture, fixtures and equipment	Total
Cost									
At 1 January 2019	2,188,975	14,668,219	2,438,251	50,220	325,832	656,228	-	-	20,327,725
Additions	135,964	-	228,992	2,437	20,131	1,345,450	-	-	1,732,974
Transfers	-	1,497,708	124,061	-	-	(1,621,769)	-	-	-
Disposals	-	(60,530)	(114,732)	(2,716)	(12,286)	-	-	-	(190,264)
Exchange differences on translating financial statements	-	(29,062)	(1,586)	-	(286)	(9,209)	-	-	(40,143)
At 31 December 2019 and 1 January 2020	2,324,939	16,076,335	2,674,986	49,941	333,391	370,700	-	-	21,830,292
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3)	-	-	-	-	-	-	4,807,922	46,239	4,854,161
At 1 January 2020	2,324,939	16,076,335	2,674,986	49,941	333,391	370,700	4,807,922	46,239	26,684,453
- as adjusted	29,136	312	40,731	462	6,839	505,139	626	-	583,245
Additions	-	158,463	5,446	(4,089)	-	(163,909)	-	4,089	-
Transfers	-	(86,241)	(74,075)	(6,988)	(2)	-	(11,241)	-	(178,547)
Disposals	-	-	-	-	-	-	-	-	-
Exchange differences on translating financial statements	-	39,540	2,216	-	378	6,869	26,329	-	75,332
Adjustments from lease assessment	-	-	-	-	-	-	2,483	-	2,483
At 31 December 2020	2,354,075	16,188,409	2,649,304	39,326	340,606	718,799	4,826,119	50,328	27,166,966

(in thousand Baht)

	Consolidated financial statements								
	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Right-of-Use land and buildings	Right-of-Use furniture, fixtures and equipment	Total
<i>(in thousand Baht)</i>									
Depreciation and Impairment losses									
At 1 January 2019	-	4,925,506	1,854,952	42,066	-	-	-	-	6,822,524
Depreciation charge for the year	-	522,514	217,593	2,831	-	-	-	-	742,938
Disposals	-	(54,902)	(117,367)	(2,716)	-	-	-	-	(174,985)
Exchange differences on translating financial statements	-	(1,538)	(834)	-	-	-	-	-	(2,372)
At 31 December 2019 and 1 January 2020	-	5,391,580	1,954,344	42,181	-	-	-	-	7,388,105
Recognition of depreciation of right-of-use asset on initial application of TFRS 16 (see note 3)	-	-	-	-	-	-	102,000	-	102,000
At 1 January 2020	-	5,391,580	1,954,344	42,181	-	-	102,000	-	7,490,105
- as adjusted	-	5,391,580	1,954,344	42,181	-	-	102,000	-	7,490,105
Depreciation charge for the year	-	570,508	213,527	1,486	-	-	201,827	11,752	999,100
Transfer to assets under construction	-	-	-	-	-	-	20,706	3,532	24,238
Impairment losses	-	-	-	-	-	-	92,500	-	92,500
Disposals	-	(85,677)	(72,261)	(8,923)	-	-	(11,241)	-	(178,102)
Exchange differences on translating financial statements	-	2,285	414	-	-	-	(509)	-	2,190
Depreciation reduced in proportion of rental reduction	-	-	-	-	-	-	15,541	-	15,541
At 31 December 2020	-	5,878,696	2,096,024	34,744	-	-	420,824	15,284	8,445,572

Consolidated financial statements								
Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Right-of-Use land and buildings	Right-of-Use furniture, fixtures and equipment	Total
(in thousand Baht)								
Net book value								
At 31 December 2019								
Owned assets	2,324,939	10,684,755	720,642	5,156	333,391	370,700	-	14,439,583
Assets under finance leases	-	-	-	2,604	-	-	-	2,604
	<u>2,324,939</u>	<u>10,684,755</u>	<u>720,642</u>	<u>7,760</u>	<u>333,391</u>	<u>370,700</u>	<u>-</u>	<u>14,442,187</u>
At 31 December 2020								
Owned assets	2,354,075	10,309,713	553,280	4,582	340,606	718,799	-	14,281,055
Right-of-use assets	-	-	-	-	-	-	4,405,295	4,440,339
	<u>2,354,075</u>	<u>10,309,713</u>	<u>553,280</u>	<u>4,582</u>	<u>340,606</u>	<u>718,799</u>	<u>4,405,295</u>	<u>18,721,394</u>

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 2,045.0 million (2019: Baht 1,983.8 million).

Capitalised borrowing costs relating to the hotel under construction for the Group are amount to Baht 45.3 million (2019: Baht 18.4 million) with interest rate of MLR+2.15% per annum, RRP+2.25% per annum and BVAL+0.45% per annum, respectively (2019: MLR+2.15% per annum, MLR+3.20% per annum and BVAL+0.45% per annum).

Separate financial statements									
	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Right-of-Use land and buildings	Right-of-Use furniture, fixtures and equipment	Total
<i>(in thousand Baht)</i>									
Cost									
At 1 January 2019	1,006,544	7,684,931	1,332,452	24,354	168,672	490,395	-	-	10,707,348
Additions	-	-	131,588	2,278	14,488	766,661	-	-	915,015
Transfers	-	1,146,533	104,429	-	-	(1,250,962)	-	-	-
Disposals	-	(46,763)	(43,197)	(920)	(8,774)	-	-	-	(99,654)
At 31 December 2019 and 1 January 2020	1,006,544	8,784,701	1,525,272	25,712	174,386	6,094	-	-	11,522,709
Recognition of right-of-use asset on initial application of TFRS 16 (see note 3)	-	-	-	-	-	-	2,170,811	27,062	2,197,873
At 1 January 2020 - as adjusted	1,006,544	8,784,701	1,525,272	25,712	174,386	6,094	2,170,811	27,062	13,720,582
Additions	-	312	11,755	-	3,209	19,288	-	-	34,564
Transfers	-	18,599	-	(4,089)	-	(18,599)	-	4,089	-
Disposals	-	(78,752)	(20,100)	(6,258)	-	-	(18,569)	-	(123,679)
At 31 December 2020	1,006,544	8,724,860	1,516,927	15,365	177,595	6,783	2,152,242	31,151	13,631,467

Separate financial statements								
	Land	Building and improvements	Furniture, fixtures and equipment	Vehicles	Hotel operating equipment	Assets under construction	Right-of-Use land and buildings	Right-of-Use furniture, fixtures and equipment
								Total
<i>(in thousand Baht)</i>								
<i>Depreciation</i>								
At 1 January 2019	-	2,243,377	1,032,490	17,359	-	-	-	3,293,226
Depreciation charge for the year	-	248,351	113,240	2,465	-	-	-	364,056
Disposals	-	(46,101)	(42,260)	(920)	-	-	-	(89,281)
At 31 December 2019 and 1 January 2020	-	2,445,627	1,103,470	18,904	-	-	-	3,568,001
Depreciation charge for the year	-	283,614	111,176	1,066	-	-	86,045	489,809
Disposals	-	(78,790)	(18,933)	(8,195)	-	-	(18,569)	(124,487)
Depreciation reduced in proportion of rental reduction	-	-	-	-	-	-	10,406	10,406
At 31 December 2020	-	2,650,451	1,195,713	11,775	-	-	77,882	3,943,729
<i>Net book value</i>								
At 31 December 2020								
Owned assets	1,006,544	6,339,074	421,802	4,204	174,386	6,094	-	7,952,104
Assets under finance leases	-	-	-	2,604	-	-	-	2,604
	1,006,544	6,339,074	421,802	6,808	174,386	6,094	-	7,954,708
At 31 December 2020								
Owned assets	1,006,544	6,074,409	321,214	3,590	177,595	6,783	-	7,590,135
Right-of-use assets	-	-	-	-	-	-	2,074,360	2,097,603
	1,006,544	6,074,409	321,214	3,590	177,595	6,783	2,074,360	9,687,738

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 1,182.3 million (2019: Baht 1,200.3 million).

Capitalised borrowing costs relating to the acquisition of the hotel under construction for the Company in 2019 amounted to Baht 16.1 million with a capitalisation rate of MLR-3.20% per annum.

The Group and the Company have mortgaged their property, building and improvements, with net book values as at 31 December 2020 of Baht 10,946.1 million and Baht 7,080.1 million, respectively (*31 December 2019: the Group and the Company of Baht 10,448.2 million and Baht 6,410.4 million, respectively*), as collateral against credit facilities received from financial institutions and transferred the related beneficiary rights under insurance policies to the financial institutions to secure the loans with the conditions stipulated in the agreement (see note 18 to the financial statements). In addition, the ownership of buildings and building improvements on the leased land of certain agreements will be transferred to the lessors upon the termination of the agreements.

The Group and the Company have mortgaged their right-of-use assets, with net book values as at 31 December 2020 of Baht 2,718.5 million and Baht 2,065.4 million, respectively (*31 December 2019: the Group and the Company of Baht 728.4 million and Baht 618.4 million, respectively*), as collateral against credit facilities received from financial institutions (see note 18 to the financial statements).

Management reviewed and tested impairment of certain property, plant and equipment in which impairment indicator existed by determining recoverable amount of property, plant and equipment from the value in use of the hotel which is cash-generating unit. The discounted cash flow projections ("DCF") have been prepared with reference to forecasted performance results considering historical data adjusted with projected revenue growth at 9% discount rate.

The recoverable amounts of property, plant and equipment including right-of-use of land and building of a subsidiary was less than carrying amounts. A subsidiary recognised impairment loss on right-of-use assets, arisen from adoption of TFRS16, of Baht 102 million to the retained earnings (see note 3) and Baht 92.5 million to the statement of comprehensive income for year ended 31 December 2020.

Leases

The group entered into an agreement to lease the land, buildings, and equipment for hotel operations, detail of leases are disclosed in note 34

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019

(in thousand Baht)

Recognised in profit or loss

Depreciation of right-of-use assets	213,579	-	93,953	-
Interest on lease liabilities	143,142	-	68,402	-
Expenses relating to short-term leases and leases of low-value assets	11,300	-	4,653	-

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for year ended 31 December 2020 were Baht 196.04 million and Baht 52.29 million, respectively.

15 Land held for development

Consolidated financial statements		Separate financial statements	
2020	2019	2020	2019

(in thousand Baht)

Land cost	95,382	95,382	-	-
Development expenses	8,855	8,855	-	-
Total	104,237	104,237	-	-

16 Intangible assets

Software licenses	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019

(in thousand Baht)

Cost

At 1 January	211,650	199,109	138,918	128,636
Additions	13,928	15,621	10,989	10,657
Disposals	(13,251)	(2,756)	(11,232)	(375)
Exchange differences on translating foreign operations	443	(324)	-	-
At 31 December	212,770	211,650	138,675	138,918

Amortisation

At 1 January	169,571	159,723	118,054	112,213
Amortisation charge for the year	12,918	12,475	6,466	6,216
Disposals	(13,214)	(2,569)	(11,232)	(375)
Exchange differences on translating foreign operations	67	(58)	-	-
At 31 December	169,342	169,571	113,288	118,054

Net book value

At 1 January	42,079	39,386	20,864	16,423
At 31 December	43,428	42,079	25,387	20,864

17 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Withholding tax deducted at source	10,706	3,385	3,352	-
Land lease prepayment	-	40,865	-	17,487
Advances	103,870	103,613	1,307	240
Total	114,576	147,863	4,659	17,727

18 Interest-bearing liabilities

	Consolidated financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term borrowings from financial institutions	910,000	500,000	1,410,000	610,000	250,000	860,000
Current portion of long-term borrowings from financial institutions	494,468	231,422	725,890	946,075	230,629	1,176,704
Long-term borrowings from financial institutions	8,896,571	1,654,461	10,551,032	5,273,563	2,851,684	8,125,247
Lease liabilities <i>(2019: Finance lease liabilities)</i>	-	3,778,298	3,778,298	-	1,694	1,694
Total interest-bearing liabilities	10,301,039	6,164,181	16,465,220	6,829,638	3,334,007	10,163,645

	Separate financial statements					
	2020			2019		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Short-term borrowings from financial institutions	900,000	500,000	1,400,000	610,000	250,000	860,000
Current portion of long-term borrowings from financial institutions	38,096	231,422	269,518	401,614	230,629	632,243
Long-term borrowings from financial institutions	6,022,377	1,654,461	7,676,838	2,829,830	2,851,684	5,681,514
Long-term borrowings from related parties	-	174,115	174,115	-	231,252	231,252
Lease liabilities <i>(2019: Finance lease liabilities)</i>	-	1,786,308	1,786,308	-	1,694	1,694
Total interest-bearing liabilities	6,960,473	4,346,306	11,306,779	3,841,444	3,565,259	7,406,703

During the year ended 31 December 2020, the Group and the Company entered into loan agreements with financial institutions which the Group and the Company were granted revolving credit facilities, short term credit facility in form of promissory note and long term credit facility. The Group and the Company received approval letters from financial institutions to amend loan terms and reduce interest rates. In addition, the Group and the Company have entered into addendums to the loan agreements in order to suspend debt repayment term which financial institutions provided the Group and the Company a debt moratorium period. As a result, the suspended loans have been classified as long-term borrowings from financial institutions as of 31 December 2020.

As at 31 December 2020, the Group had short-term and long-term loan agreements with certain local and foreign financial institution as follows:

Loan agreement	Type of secured loan	Approved credit facilities	Interest rate (% p.a.)	Term of payment
1	Secured	Short-term Baht 600 million	MMR	As stated in promissory notes
2	Secured	Long-term Baht 2,277.55 million	Fixed rate p.a. for 3 years from drawn down. MLR - fixed rate thereafter	Every 3 months commencing from March 2017
3	Secured	Long-term Baht 650 million	FDR 1 year + fixed rate p.a.	Every 6 months commencing from June 2015
	Secured	Short-term Baht 100 million	MMR	As stated in promissory notes
4	Unsecured	Long-term Baht 2,500 million	MLR - fixed rate p.a.	As stated in the agreement
5	Secured	Long-term Baht 1,500 million	MMR	As stated in promissory notes
6	Secured	Long-term Baht 660 million	MLR - fixed rate p.a.	Every 6 months commencing from June 2019
	Secured	Short-term Baht 300 million	MMR	As stated in promissory notes
7	Secured	Long-term Baht 950 million	MLR - fixed rate p.a.	Commencing on March 2022
8	Unsecured	Short-term Baht 300 million	MMR	As stated in promissory notes
9	Unsecured	Short-term Baht 300 million	MMR	As stated in promissory notes
10	Unsecured	Short-term Baht 200 million	MMR	As stated in promissory notes
11	Unsecured	Short-term Baht 300 million	MMR	As stated in promissory notes
12	Unsecured	Short-term Baht 500 million	MMR	As stated in promissory notes
13	Secured	Short-term Baht 500 million	MMR	As stated in promissory notes
14	Secured	Long-term Baht 600 million	FDR 1 year + fixed rate p.a.	Every 6 months commencing from June 2015
15	Secured	Long-term Baht 700 million	FDR 1 year + fixed rate p.a.	Every 3 months commencing from December 2008
	Secured	Short-term Baht 39 million	MMR	As stated in promissory notes
16	Secured	Long-term Baht 630 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2017
17	Secured	Long-term Baht 36.22 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
18	Secured	Long-term Baht 32.67 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
19	Secured	Long-term Baht 34.56 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
20	Secured	Long-term Baht 39 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
21	Secured	Long-term Baht 39 million	MLR - fixed rate p.a.	Every 3 months commencing from March 2016
22	Secured	Long-term Baht 34.06 million	MLR - fixed rate p.a.	Every 3 months commencing from May 2016
23	Secured	Long-term Baht 38.50 million	MLR - fixed rate p.a.	Every 3 months commencing from May 2016
24	Secured	Long-term Baht 29.18 million	MLR - fixed rate p.a.	Every 3 months commencing from May 2016
25	Secured	Long-term Baht 39 million	MLR - fixed rate p.a.	Every 3 months commencing from October 2016
26	Secured	Long-term Baht 37.02 million	MLR - fixed rate p.a.	Every 3 months commencing from December 2016
27	Secured	Long-term Baht 37.70 million	MLR - fixed rate p.a.	Every 3 months commencing from June 2017
28	Secured	Long-term Baht 37.17 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
29	Secured	Long-term Baht 33.02 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
30	Secured	Long-term Baht 37.50 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
31	Secured	Long-term Baht 35.59 million	MLR - fixed rate p.a.	Every 3 months commencing from August 2017
32	Secured	Long-term Baht 38.53 million	MLR - fixed rate p.a.	Every 3 months commencing from September 2017
33	Secured	Long-term Baht 36.62 million	MLR - fixed rate p.a.	Every 3 months commencing from December 2017
34	Secured	Long-term Baht 33.89 million	MLR - fixed rate p.a.	Every 3 months commencing from December 2017
35	Secured	Long-term Baht 31.52 million	MLR - fixed rate p.a.	Every 3 months commencing from April 2018
36	Secured	Long-term Baht 1,000 million	MLR - fixed rate p.a.	Every months commencing from May 2019
37	Secured	Long-term Baht 400 million	MLR - fixed rate p.a.	Every months from grace period 18 months
38	Secured	Long-term PHP 181 million	RRP + fixed rate p.a.	Every months commencing from August 2017
39	Secured	Long-term PHP 178 million	RRP + fixed rate p.a.	Every months commencing from September 2018
40	Secured	Long-term PHP 224.6 million	RRP + fixed rate p.a.	Every months commencing from April 2019
41	Secured	Long-term PHP 218 million	RRP + fixed rate p.a.	Every months commencing from August 2019

Loan agreement	Type of secured loan	Approved credit facilities	Interest rate (% p.a.)	Term of payment
42	Secured	Long-term PHP 182 million	RRP + fixed rate p.a.	Every months commencing from November 2019
43	Secured	Long-term PHP 354.1 million	BVAL + fixed rate p.a.	Every months commencing from January 2023
44	Secured	Long-term PHP 800 million	BVAL + fixed rate p.a.	Every 3 months commencing from January 2024
45	Unsecured	Short-term Baht 450 million	MMR	As stated in promissory notes
46	Secured	Long-term Baht 500 million	MLR - fixed rate p.a.	Every month commencing from January 2022
47	Secured	Long-term Baht 241.25 million	FRD 1 year + fixed rate p.a.	Every 6 months commencing from June 2021
48	Secured	Long-term Baht 1,500 million	BIBOR 3 months + fixed rate p.a.	March 2025
	Secured	Short-term Baht 1,000 million	MMR	As stated in promissory notes
49	Secured	Long-term Baht 100 million	FRD 1 year + fixed rate p.a.	As stated in the agreement
50	Secured	Long-term Baht 20 million	Fixed rate p.a.	Due date

Under the loan agreements, the Group has to comply with certain covenants and restrictions e.g. the percentage of shareholding of the major shareholders, changes in directors, changes in hotel management, guarantees to loans or aval to promissory notes of any persons or any companies, dividend payments, reduction of authorised shares, merger or consolidation with any companies, and maintenance of certain financial ratios. In 2020, the Group has already the received the waiver letters to revoke the restriction of maintenance of certain financial ratios for the year 2020 from the financial institutions.

Assets pledged as security for liabilities as at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Property, plant and improvements - net book values	10,946,073	10,448,195	7,080,082	6,410,392
Leasehold rights for land - net book values	-	728,414	-	618,424
Right-of-use assets - net book values	2,718,473	-	2,065,382	-
Total	13,664,546	11,176,609	9,145,464	7,028,816

In addition, the Group transferred the rights and beneficiary rights under insurance policies to the lenders to secure the loan with the condition stipulated in the agreements. Certain loans are also secured by a guarantee provided by the Company and pledging of 1,599,994 shares of Erawan Rajdamri Company Limited.

As at 31 December 2020, the Group had unutilised credit facilities of totaling Baht 4,779.0 million and PHP 716.4 million (2019: Baht 3,097.6 million and PHP 1,150.9 million) and the Company had unutilised credit facilities of totaling Baht 3,750.0 million (2019: Baht 2,473.0 million).

19 Trade accounts payable

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Related parties	6	-	257	191
Other parties		144,665	69,827	116,327
Total		<u>144,665</u>	<u>70,084</u>	<u>116,518</u>

20 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Accrued expenses	96,902	411,677	48,592	205,669
Advances from customers and deposit received	130,263	219,829	59,358	109,684
Accounts payable - construction	12,215	133,239	4,328	92,139
Accrued management, royalty, marketing and other fees	13,720	37,580	2,520	19,983
Retention	78,316	99,200	11,990	55,173
Value added tax payable	6,114	27,734	2,483	15,954
Others	120,211	89,088	74,155	38,535
Total	<u>457,741</u>	<u>1,018,347</u>	<u>203,426</u>	<u>537,137</u>

21 Deferred income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Leasehold rights - building, service and equipment	28,000	28,000	28,000	28,000
Less accumulated amortisation	(19,735)	(17,710)	(19,735)	(17,710)
Net book value	<u>8,265</u>	<u>10,290</u>	<u>8,265</u>	<u>10,290</u>
Amortisation included in statements of income for the year	<u>2,025</u>	<u>2,024</u>	<u>2,025</u>	<u>2,024</u>
Current portion of leasehold rights - building service and equipment	2,024	2,025	2,024	2,025
Leasehold rights - building service and equipment	6,241	8,265	6,241	8,265
Total	<u>8,265</u>	<u>10,290</u>	<u>8,265</u>	<u>10,290</u>

22 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Post-employment benefits	130,026	124,018	69,816	66,767
Total	130,026	124,018	69,816	66,767

Defined benefit plan

The Group operates a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Present value of the defined benefit obligations	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	124,018	82,666	66,767	44,772
Include in profit or loss:				
Current service cost	15,963	13,165	9,955	7,729
Past service cost	92	17,560	92	7,959
Interest on obligation	1,807	2,487	998	1,327
Curtailment gain	(3,613)	-	(2,851)	-
	14,249	33,212	8,194	17,015
Include in other comprehensive income:				
Actuarial (gain) loss				
- Demographic assumptions	(23)	-	-	-
- Financial assumptions	(3,111)	11,230	(2,672)	6,236
- Experience adjustment	5,455	-	6,781	-
Exchange differences on translating financial statement	16	2	-	-
	2,337	11,232	4,109	6,236
Benefit paid	(10,578)	(3,092)	(9,254)	(1,256)
Defined benefit obligations at 31 December	130,026	124,018	69,816	66,767

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(%)			
Discount rate	1.5, 5.2	1.7, 5.2	1.5	1.7
Future salary growth	3.0 - 7.0	3.0 - 7.0	4.0 - 7.0	4.0 - 7.0
Employee turnover	5.0 - 35.0	5.0 - 35.0	5.0 - 35.0	5.0 - 35.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 11.5 - 20.0 years (2019:11.2-20.0 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation At 31 December	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	(in thousand Baht)			
Discount rate	(10,655)	(9,758)	11,560	11,156
Future salary growth	11,629	11,922	(10,406)	(10,621)
Future mortality	336	286	(371)	(313)

	20% increase in assumption		20% decrease in assumption	
	2020	2019	2020	2019
	(in thousand Baht)			
Employee turnover	(16,045)	(16,920)	20,839	22,502

Effect to the defined benefit obligation At 31 December	Separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2020	2019	2020	2019
	(in thousand Baht)			
Discount rate	(5,950)	(5,396)	6,466	6,149
Future salary growth	6,432	6,501	(5,777)	(5,812)
Future mortality	186	155	(205)	(169)

	20% increase in assumption		20% decrease in assumption	
	2020	2019	2020	2019
	(in thousand Baht)			
Employee turnover	(9,364)	(9,862)	12,316	13,288

23 Share capital

Par value per share	2020		2019	
	Number	Amount	Number	Amount
	(in Baht)	(thousand shares / in thousand Baht)		
<i>Authorised</i>				
At 1 January				
Ordinary shares	1	2,788,665	2,788,665	2,537,893
Reduction of shares	1	-	-	(25,790)
Increase of new shares	1	-	-	276,562
At 31 December				
Ordinary shares	1	2,788,665	2,788,665	2,788,665
<i>Issued and paid-up</i>				
At 1 January				
Ordinary shares	1	2,517,533	2,517,533	2,507,716
Issue under ESOP	1	-	-	9,817
At 31 December				
Ordinary shares	1	2,517,533	2,517,533	2,517,533

Reduction of authorised share capital

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders approved the reduction of the Company's registered share capital from Baht 2,537.9 million to Baht 2,512.1 million by canceling its non-issued share capital. The Company registered the reduction of share capital amounting to Baht 25.8 million with the Ministry of Commerce on 14 May 2019.

Increase of authorised share capital

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders approved the increase of the Company's registered share capital from Baht 2,512.1 million to Baht 2,788.7 million to reserve for the exercise of stock options under ESOP for employees of the Group and the new shares from capital increase through general mandate for private placement. The Company registered the increase of share capital amounting to Baht 276.6 million with the Ministry of Commerce on 15 May 2019.

Issue and allotment period of the newly issued ordinary shares

At the annual general meeting of the shareholders of the Company held on 29 July 2020, the shareholders approved the extension of the allotment period of the newly issued ordinary shares under the General Mandate in the amount of 250,771,591 shares with the value of 1 Baht per share for Private Placement. The allotment conditions shall be in compliance with the resolution of the 2019 annual general meeting of shareholders.

Employee Stock Option Plan (ESOP)

At the annual general meeting of the shareholders of the Company held on 26 April 2016, the shareholders of the Company approved the issuance of the employee stock option plan for the employee of the Group of 39,720,000 options, Grant 4 (ESOP-4). The Company granted such ESOP to the employees on 1 February 2017. The period of the plan shall not exceed 5 years from date of shareholders' approval on 26 April 2016. The employees are entitled to exercise their rights to purchase shares within 30 December 2020. The key terms and conditions were as follow:

No.	Exercise period	Number of eligible options	Exercise price
1	1 February 2017 - 30 December 2020	10% of total allocated options	3.60
2	1 January 2018 - 30 December 2020	20% of total allocated options	3.70
3	1 January 2019 - 30 December 2020	30% of total allocated options	3.80
4	1 January 2020 - 30 December 2020	40% of total allocated options	3.90

Fair value measurement

The Company measured approximate fair value of the options granted through the plan by using the binomial model. The weighted average fair value at the grant date was from Baht 0.99 to Baht 1.15 per unit. Key assumptions were as follows:

Share price at the grant date	4.42 Baht/share
Expected volatility	30%
Expected dividends	1.55% per annum
Risk-free interest rate	1.43% - 2.04% per annum depend on period of time

The Group and the Company recognised share-based payment expense in the consolidated and separate financial statement of Baht 3.4 million for the years ended 31 December 2020 (31 December 2019: Baht 7.1 million).

Movements in the number of ESOP during the year ended 31 December 2020 and 2019 were as follows:

	2020	2019
	(thousand units)	
At 1 January	20,360	30,177
Exercised	-	(9,817)
Not exercised	(20,360)	-
At 31 December	-	20,360

The exercise of ESOP complied with the terms and conditions of the issuance of ESOP which were approved by the Company's shareholders.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

24 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve of 2020

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

Fair value reserve of 2019

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

25 Segment information and disaggregation of revenue

The Group has two reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different services, are managed separately and different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Hotel business
Segment 2	Rental and management building business

None of other operations meets the quantitative thresholds for determining reportable segments in 2020 or 2019.

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Year ended 31 December	Hotel business		Rental and building management business		Eliminations		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
<i>(in million Baht)</i>								
<i>Information about reportable segments</i>								
External revenues	2,180	6,146	126	233	-	-	2,306	6,379
Inter - segment revenue	-	-	18	22	(18)	(22)	-	-
Total revenue	2,180	6,146	144	255	(18)	(22)	2,306	6,379
Segment profit (loss)	(1,808)	588	23	85	(14)	(16)	(1,799)	657
Share of profit of investments in associates							(19)	-
Tax expense (income)							39	(154)
Profit (loss) for the year							(1,779)	503
<i>Disaggregation of revenue</i>								
Primary geographical markets								
Thailand	2,092	5,908	142	251	(18)	(22)	2,216	6,137
Philippines	88	238	2	4	-	-	90	242
Total revenue	2,180	6,146	144	255	(18)	(22)	2,306	6,379
Timing of revenue recognition								
At a point in time	708	1,790	-	-	-	-	708	1,790
Over time	1,472	4,356	144	255	(18)	(22)	1,598	4,589
Total revenue	2,180	6,146	144	255	(18)	(22)	2,306	6,379
Segment assets	20,345	17,123	895	738	(25)	(27)	21,215	17,834
Segment liabilities	17,244	11,864	67	56	(25)	(27)	17,286	11,893

Reconciliations of other material items

Other material items	Consolidated financial statements					
	2020			2019		
	Reportable segment totals	Adjustments	Total	Reportable segment totals	Adjustments	Total
	<i>(in thousand Baht)</i>					
Impairment losses of property, plant and equipment	93	-	93	-	-	-
Capital expenditure	18,698	171	18,869	15,791	178	15,969
Depreciation and amortisation	(1,005)	(7)	(1,012)	(823)	(7)	(830)

26 Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Gain on disposal of equipment	1,054	14	1,679	-
Income from tax on land and building <i>(2019: Income from property tax)</i>	727	2,121	590	1,964
Other service income	-	-	18,772	18,709
Net foreign exchange gain	-	3,362	174	1,895
Others	30,343	36,677	12,589	19,929
Total	32,124	42,174	33,804	42,497

27 Employee benefit expenses

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Salaries and other benefits	1,080,398	1,569,276	561,077	829,364
Post-employment benefits	14,249	33,212	8,194	17,015
Total	1,094,647	1,602,488	569,271	846,379

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 2 % to 15 % of their basic salaries and by the Group at rates ranging from 2 % to 10 % of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Managers.

28 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Employee benefit expenses	1,094,647	1,602,488	569,271	846,379
Costs of food and beverage	312,714	676,339	175,684	338,179
Administrative and other fees	108,229	314,042	46,627	157,268
Marketing expenses	102,006	236,077	55,198	132,277
Rental expenses	11,371	214,577	4,653	57,868
Repair and maintenance expenses	139,849	178,616	52,932	65,841

29 Finance costs

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019

(in thousand Baht)

Interest expense:

Related parties	6	-	-	7,136	11,057
Financial institutions		395,067	415,252	276,400	266,898
Total interest expense		395,067	415,252	283,536	277,955
Amortisation of transaction costs capitalised		3,545	2,682	2,538	1,675
Interest on lease liabilities		177,547	-	68,402	-
Other finance costs		5,272	2,077	4,660	1,694
		581,431	420,011	359,136	281,324
Less: amounts included in the cost of qualifying assets:					
- Capitalised as cost of assets under construction	14	(45,313)	(18,371)	-	(16,127)
Net		536,118	401,640	359,136	265,197

30 Income tax

Income tax recognised in profit or loss	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019

(in thousand Baht)

Current tax expense				
Current year	2,416	158,131	-	64,273
Deferred tax expense				
Movements in temporary differences	(41,547)	(3,528)	(17,591)	(3,230)
Total income tax expense	(39,131)	154,603	(17,591)	61,043

Consolidated financial statements					
2020			2019		
Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax

(in thousand Baht)

Recognised in other comprehensive income

Defined benefit plan actuarial loss	(2,321)	464	(1,857)	(11,230)	2,246	(8,984)
Total	(2,321)	464	(1,857)	(11,230)	2,246	(8,984)

Separate financial statements					
2020			2019		
Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax

(in thousand Baht)

Recognised in other comprehensive income

Defined benefit plan actuarial	(4,109)	822	(3,287)	(6,236)	1,247	(4,989)
Total	(4,109)	822	(3,287)	(6,236)	1,247	(4,989)

	Consolidated financial statements				Separate financial statements			
	2020		2019		2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Reconciliation of effective tax rate								
Profit (loss) before income tax expense		(1,817,714)		657,353		(1,370,374)		422,173
Income tax using the Thai corporation tax rate	20.0	(363,543)	20.0	131,471	20.0	(274,074)	20.0	84,435
Effect of different tax rates in foreign jurisdictions		(9,118)		1,646		-		-
Tax difference on expense (revenue)		14,452		(3,178)		76,492		(23,392)
Recognition of previously unrecognised tax losses		(540)		(1,133)		-		-
Current year losses for which no deferred tax asset was recognised		319,618		25,797		179,991		-
Total	2.2	(39,131)	23.5	154,603	1.3	(17,591)	14.5	61,043

Deferred tax At 31 December	Consolidated financial statements				Separate financial statements			
	Assets		Liabilities		Assets		Liabilities	
	2020	2019	2020	2019	2020	2019	2020	2019
Total	70,332	26,380	(61,125)	(58,558)	32,699	14,286	-	-
Set of off tax	(8,833)	(7,943)	8,833	7,943	-	-	-	-
Net deferred tax assets (liabilities)	61,499	18,437	(52,292)	(50,615)	32,699	14,286	-	-

The group and the company not recognised deferred tax assets arising from the tax loss carry forward of Baht 2,075.0 million (2019: Baht 655.8 million) and Baht 900.0 million respectively, which will be expired in 2021 - 2025 due to the fact that it is not probable that future taxable profit will be available against which such subsidiaries can utilise the benefits therefrom.

Deferred tax	Consolidated financial statements				
	At 1 January	(Charged) / Credited to		Exchange differences	At 31 December
		Profit or loss	Other comprehensive income		

(in thousand Baht)

2020

Deferred tax assets

Right-of-use assets	-	38,909	-	(629)	38,280
Accounts receivable (doubtful accounts)	328	5,679	-	-	6,007
Provision for employee benefits	24,828	750	464	3	26,045
Other current assets	425	(425)	-	-	-
Other current liabilities	799	(799)	-	-	-
Total	26,380	44,114	464	(626)	70,332

Deferred tax liabilities

Property, plant and equipment (Depreciation)	(58,558)	(2,567)	-	-	(61,125)
Total	(58,558)	(2,567)	-	-	(61,125)
Net	(32,178)	41,547	464	(626)	9,207

2019

Deferred tax assets

Accounts receivable (doubtful accounts)	354	(26)	-	-	328
Provision for employee benefits	16,533	6,051	2,246	(2)	24,828
Other current assets	425	-	-	-	425
Other current liabilities	728	71	-	-	799
Total	18,040	6,096	2,246	(2)	26,380

Deferred tax liabilities

Property, plant and equipment (Depreciation)	(55,990)	(2,568)	-	-	(58,558)
Total	(55,990)	(2,568)	-	-	(58,558)
Net	(37,950)	3,528	2,246	(2)	(32,178)

Deferred tax	Separate financial statements			
	At 1 January	(Charged) / Credited to		At 31 December
		Profit or loss	Other comprehensive income	

(in thousand Baht)

2020

Deferred tax assets

Right-of-use assets	-	13,125	-	13,125
Accounts receivable (doubtful accounts)	134	5,477	-	5,611
Provision for employee benefits	13,353	(212)	822	13,963
Other current liabilities	799	(799)	-	-
Total	14,286	17,591	822	32,699

2019

Deferred tax assets

Accounts receivable (doubtful accounts)	126	8	-	134
Provision for employee benefits	8,955	3,151	1,247	13,353
Other current liabilities	728	71	-	799
Total	9,809	3,230	1,247	14,286

31 Earnings (loss) per share

Consolidated		Separate	
financial statements		financial statements	
2020	2019	2020	2019

(in thousand Baht)

Profit (loss) attributable to ordinary shareholders for the year ended 31 December

Profit (loss) for the year attributable to ordinary shareholders of the Company	(1,715,256)	445,569	(1,352,783)	361,130
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(1,715,256)	445,569	(1,352,783)	361,130
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	(1,715,256)	445,569	(1,352,783)	361,130

Ordinary shares outstanding

Number of ordinary shares outstanding at 1 January	2,517,533	2,507,716	2,517,533	2,507,716
Effect of shares options exercised	-	5,225	-	5,225
Weighted average number of ordinary shares outstanding (basic) at 31 December	2,517,533	2,512,941	2,517,533	2,512,941
Effect of exercise of share options	-	9,890	-	9,890
Weighted average number of ordinary shares outstanding (diluted) at 31 December	2,517,533	2,522,831	2,517,533	2,522,831
Earnings (loss) per share (basic) (in Baht)	(0.6813)	0.1773	(0.5373)	0.1437
Earnings (loss) per share (dilute) (in Baht)	(0.6813)	0.1766	(0.5373)	0.1431

During the year ended 31 December 2020, ESOP caused no dilutive effect to basic earnings per share because the average market price of ordinary shares during the period did not exceed the exercise price.

32 Dividends

The shareholders of the Company and a subsidiary have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2020				
Interim dividend of the Company paid from the profit of 2019	25 March 2020	24 April 2020	0.07	176,227
2019				
Annual dividend of the Company paid from the profit of 2018	26 April 2019	24 May 2019	0.09	226,089
Annual dividend of A subsidiary paid from the profit of 2018	24 April 2019	17 May 2019	2.03	161,723

33 Financial instruments

(a) Carrying amounts and fair values

Most of financial assets and liabilities of the Group were short-term. The fair value of financial assets and liabilities is taken to approximate the carrying value as determined in the statement of financial position.

The fair value of long-term loans is taken to approximate the carrying amount stated in the accounts because of interest on loans approximates to market rates.

(b) Financial risk management policies

Risk management framework

The Group board of directors has overall responsibility for the establishment and oversight of the Group risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group risk management policies. The committee reports regularly to the board of directors on its activities.

The Group risk management policies are established to identify and analyse the risks faced by the Group to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 25.

The hotel management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of two month.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

Trade accounts receivable At 31 December 2020	Consolidated financial statements	
	Trade accounts receivables	Allowance for expected credit losses
<i>(in thousand Baht)</i>		
Outstanding:		
Less than 3 months	62,413	(155)
3 - 6 months	8,781	-
6 - 12 months	43,231	(38,467)
After 12 months	1,413	(629)
Total	115,838	(39,251)
Less allowance for expected credit losses	(39,251)	
Net	76,587	

Trade accounts receivable At 31 December 2020	Separate financial statements	
	Trade accounts receivables	Allowance for expected credit losses

(in thousand Baht)

Outstanding:

Less than 3 months	22,507	-
3 - 6 months	8,078	-
6 - 12 months	31,226	(28,029)
After 12 months	28	(28)
Total	61,839	(28,057)
Less allowance for expected credit losses	(28,057)	
Net	33,782	

Trade accounts receivable	Consolidated financial statements	Separate financial statements
---------------------------	-----------------------------------	-------------------------------

(in thousand Baht)

At 31 December 2019

Outstanding:

Less than 3 months	182,866	86,303
3 - 6 months	2,373	430
6 - 12 months	731	337
After 12 months	241	21
Total	186,211	87,091
Less allowance for doubtful accounts	(1,641)	(667)
Net	184,570	86,424

The normal credit term granted by the Group and the Company ranges from 15 days to 60 days.

Movement of allowance for expected credit loss of trade accounts receivables	Consolidated financial statements	Separate financial statements
--	-----------------------------------	-------------------------------

(in million Baht)

At 1 January 2020	(1,641)	(667)
Addition	(37,610)	(27,390)
At 31 December 2020	(39,251)	(28,057)

(b.1.2) Cash and cash equivalent and derivatives

The Group exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for direct subsidiaries' and indirect subsidiaries' loan from financial institutions. At 31 December 2020, the Company has issued guarantee letter to 3 financial institutions in respect of credit facilities granted to 2 direct subsidiaries and 7 indirect subsidiaries.

(b.2) *Liquidity risk*

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

At 31 December 2020	Consolidated financial statements					
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total
<i>(in thousand Baht)</i>						
<i>Non-derivative financial liabilities</i>						
Trade payables	144,665	144,665	-	-	-	144,665
Loans from financial institutions	12,686,922	2,595,572	2,760,691	5,578,331	3,855,089	14,789,683
Lease liabilities	3,778,298	222,541	406,815	687,958	6,466,212	7,783,526
	<u>16,609,885</u>	<u>2,962,778</u>	<u>3,167,506</u>	<u>6,266,289</u>	<u>10,321,301</u>	<u>22,717,874</u>

At 31 December 2020	Separate financial statements					
	Contractual cash flows					
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total

(in thousand Baht)

Non-derivative financial liabilities

Trade payables	70,084	70,084	-	-	-	70,084
Loans from financial institutions	9,346,356	2,019,815	2,296,793	3,834,451	2,504,827	10,655,886
Loans from related parties	174,115	-	174,115	-	-	174,115
Lease liabilities	1,786,309	64,027	124,708	319,684	3,099,524	3,607,943
	<u>11,376,864</u>	<u>2,153,926</u>	<u>2,595,616</u>	<u>4,154,135</u>	<u>5,604,351</u>	<u>14,508,028</u>

At 31 December 2019	Effective interest rate	Consolidated financial statements			
		Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total

(% per annum)

(in thousand Baht)

Financial Liabilities

Loans payable - financial institutions	4.20, 4.275, MLR - 2.00, MLR - 2.15, MLR - 2.40, MLR - 3.20, RRP + 2.25 BVAL + 0.45	2,036,704	7,454,687	670,560	10,161,951
Total		<u>2,036,704</u>	<u>7,454,687</u>	<u>670,560</u>	<u>10,161,951</u>

At 31 December 2019	Effective interest rate	Separate financial statements			
		Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
Financial Assets					
Loans receivable - related parties	4.09	-	629,968	-	629,968
Total		-	629,968	-	629,968
Financial Liabilities					
Loans payable - related parties	4.09, 4.45	-	231,252	-	231,252
Loans payable - financial institutions	4.20, 4.275, MMR, MLR - 2.00, MLR - 2.40, MLR - 3.20	1,492,243	5,584,777	96,737	7,173,757
Total		1,492,243	5,816,029	96,737	7,405,009

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

(b.3.1) Foreign currency risk

The Group operates mainly in Thailand and Philippines. The Thai baht is the functional currency for businesses operating in Thailand whereas the Philippine Peso is the functional currency for businesses operating in Philippines. Accordingly, the Group does not have material foreign currency risk

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly floating. The Group is primarily exposed to interest rate risk from its borrowings (See note 18). The Group mitigates this risk by ensuring that the majority of its borrowings interest rates are close to the market rate.

Exposure to interest rate risk at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in million Baht)</i>				
<i>Financial instruments with fixed interest rates</i>				
Financial assets	-	-	-	-
Financial liabilities	(20)	-	-	-
	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Financial instruments with variable interest rates</i>				
Financial assets	-	-	1,042	630
Financial liabilities	(12,667)	(10,162)	(9,520)	(7,405)
	<u>(12,667)</u>	<u>(10,162)</u>	<u>(8,478)</u>	<u>(6,775)</u>

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1 % in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant

At 31 December 2020	Consolidated financial statements			
	Profit or loss		Equity, net of tax	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
<i>(in million Baht)</i>				
Financial instruments with variable interest rate	127	(127)	-	-
Cash flow sensitivity	<u>127</u>	<u>(127)</u>	<u>-</u>	<u>-</u>

At 31 December 2020	Separate financial statements			
	Profit or loss		Equity, net of tax	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
<i>(in million Baht)</i>				
Financial instruments with variable interest rate	85	(85)	-	-
Cash flow sensitivity	<u>85</u>	<u>(85)</u>	<u>-</u>	<u>-</u>

34 Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

35 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in million Baht)			
<i>Capital commitments</i>				
Contracted but not provided	646.9	513.4	25.9	24.9
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within 1 year	4.2	186.9	2.7	53.6
1 - 5 years	4.3	596.3	3.1	222.9
After 5 years	-	5,534.2	-	2,580.1
Total	8.5	6,317.4	5.8	2,856.6
<i>Commitments under service agreements</i>				
Within 1 year	23.5	59.5	2.5	22.6
1 - 5 years	3.1	13.4	2.7	7.7
After 5 years	-	0.9	-	0.9
Total	26.6	73.8	5.2	31.2
<i>Other commitments</i>				
Guarantee for bank credit facilities	2,805.3	2,805.3	2,805.3	2,805.3
Bank guarantees	159.0	158.5	17.5	17.5
Total	2,964.3	2,963.8	2,822.8	2,822.8

Long-term agreements

The Company and its subsidiaries have entered into several long-term asset lease agreements and several service agreements with third parties, local companies, overseas companies, and Government organisations as follows:

Long-term asset lease agreements

The Company has land lease agreement on which its hotel building is situated from the lessor. The term of the lease is a period of 30 years up to the year 2025, could be extended for further period subject to certain conditions in the agreement. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 180.0 million which will be paid within the 30th year of the lease and is recorded as part of "Accounts payable for land leasehold rights". The Company has also paid the deposit for rental amounting to Baht 90.0 million which shall be refunded in the 30th year and is presented as part of "Deposits for lease of land, building and equipment" in the statement of financial position.

In addition, the Company has another land lease agreement to extend the term of aforementioned agreement for 20 years up to the year 2045. The Company agreed to pay the lease remuneration of Baht 216.1 million. The Company has already paid this remuneration. In addition, the Company shall pay rental per annum as mentioned in the agreement. Upon termination of the agreements, the ownership of buildings and building improvements on the leased, including equipment, furniture and tools necessary for hotel operations, shall be transferred to the lessor.

On 31 October 2002, Erawan Chaophraya Company Limited, a subsidiary, entered into an agreement to lease land from a foundation for the purpose of land development and building construction. The term of the lease is a period of 30 years up to the year 2034, to be extended for further period, subject to certain conditions in the agreement. Under the terms of this agreement, the subsidiary agreed to pay a monthly rate as mentioned in the agreement. Upon termination of the agreement, the ownership of buildings and all structures constructed on the leased land shall be transferred to the lessor.

On 9 January 2006, Erawan Rajdamri Company Limited, a subsidiary, entered into the Building Renovation and Land and Renovated Building Lease Agreement with a Government organization covering a term of 30 years up to the year 2037. Under the term of this agreement, the subsidiary shall pay remuneration of Baht 70.0 million, which had already been paid. In addition, the subsidiary shall pay monthly rental as mentioned in the agreement.

On 9 June 2006, the Company entered into a land lease agreement with a third party for a period of 30 years up to the year 2038. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 25.0 million. The Company had already paid this remuneration. In addition, the Company shall pay a land rental of Baht 1.2 million per annum for the first three years, and such rental shall adjusted every three years. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 15 May 2007, the Company entered into a land lease agreement with a third party for a period of 30 years up to the year 2039. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 53.0 million. The Company had already paid this remuneration. In addition, the Company shall pay a land rental of Baht 0.4 million per annum for the first three years, and such rental shall be adjusted every three years. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 19 March 2010, the Company entered into a land lease agreement with two local companies for a period of 30 years up to the year 2043. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 150.0 million. The Company had already paid this remuneration. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 19 January 2011, The Company entered into land lease agreement with a third party for a period of 30 years up to the year 2043, to be extended for further period, subject to certain conditions in the agreement. Under the terms of this agreement, the Company shall pay lease remuneration of Baht 3.0 million. The Company has already paid this remuneration. In addition, the Company shall pay a land rental of Baht 0.3 million per annum for the first three years, and such rental shall be adjusted every three years. Upon the termination of the agreement, the Company shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 13 November 2014, Erawan Philippines (Ermita), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 25 years ending in 2039, to be extended for a further period of 5 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year, according to the agreement. Upon the termination of the agreement; the indirect subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor. Then, on 5 October 2015, the indirect subsidiary entered into a supplemental agreement to extend the term of the lease to 27 years ending in 2041. The indirect subsidiary has the right to renew for another 5 years whereas other conditions in the agreement remains the same.

On 13 March 2015, Erawan Hop Inn Company Limited entered into land lease agreement with a third party for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 2.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 2 July 2015, Erawan Hop Inn Company Limited entered into land lease agreement with a third party for a period of 30 years up to the year 2046, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 5.3 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 2 July 2015, The Company entered into land lease agreement with a third party for a period of 30 years up to the year 2048, to be extended for further period, subject to certain conditions in the agreement. The Company shall pay lease remuneration of Baht 53.5 million. The Company has already paid this remuneration. In addition, the Company shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 2 July 2015, Erawan Philippines (Makati), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 30 years ending in 2045, to be extended for a further period of 20 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 9 July 2015, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a foundation for a period of 30 years up to the year 2046, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 4.7 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 7 August 2015, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 13.6 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in the agreement. Upon the termination of the agreement, the subsidiary shall demolish the building and structures on such land to the lessor.

On 26 January 2016, Erawan Philippines (Aseana), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 30 years ending in 2046, to be extended for a further period of 20 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 26 May 2016, Erawan Samui Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2046, to be extended for further period, subject to certain conditions in the agreement. In addition, the subsidiary shall pay a land rental at the period and rate as mentioned in the agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 30 May 2016, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 4.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 1 June 2016, The Company entered into land lease agreement with a third party for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The Company shall pay lease remuneration of Baht 87.0 million. The Company has already paid this remuneration. In addition, the Company shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 1 June 2016, The Company entered into land lease agreement with a third party for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The Company shall pay lease remuneration of Baht 10.0 million. The Company has already paid this remuneration. In addition, the Company shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 6 July 2016, Erawan Philippines (Alabang), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 30 years ending in 2046, to be extended for a further period of 20 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 20 July 2016, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 8.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in the agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 7 October 2016, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 4.2 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in the agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 1 April 2017, Erawan Philippines (Quezon City), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 30 years ending in 2047, to be extended for a further period of 20 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 5 July 2017, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2047, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 16.0 million. The Company has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 1 September 2017, Erawan Philippines (Cebu), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 30 years ending in 2047, to be extended for a further period of 20 years, subject to certain conditions in the agreement. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 20 October 2017, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2048, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 3.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the ownership of all constructs erected on the leased land, together with equipment which are unremovable, shall be transferred to the lessor.

On 26 June 2018, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 8.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures, including equipment and furniture on such land to the lessor, depending upon the purpose of the lessor.

On 29 June 2018, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 10.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 23 August 2018, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 1.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 31 August 2018, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 1.8 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 7 September 2018, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 6.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building and structures on such land to the lessor.

On 8 November 2018, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2049, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 4.0 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 18 December 2018, Erawan Philippines (Ortigas), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 35 years ending in 2052. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 1 March 2019, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2051, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 47.7 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures, furniture, fixtures and equipment on such land to the lessor, depending upon the purpose of the lessor.

On 6 March 2019, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2051, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 13.4 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 19 April 2019, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with local company for a period of 30 years up to the year 2051, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 28.8 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 3 May 2019, Erawan Hop Inn Company Limited, a subsidiary, entered into land lease agreement with a third party for a period of 30 years up to the year 2050, to be extended for further period, subject to certain conditions in the agreement. The subsidiary shall pay lease remuneration of Baht 3.3 million. The subsidiary has already paid this remuneration. In addition, the subsidiary shall pay a land rental per annum as mentioned in agreement. Upon the termination of the agreement, the subsidiary shall demolish the building or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 7 November 2019, Erawan Philippines (Cebu), INC., an indirect subsidiary, entered into lease agreement to lease land in Philippines for hotel construction. The rental period is 35 years ending in 2053. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the lessor, depending upon the purpose of the lessor.

On 8 November 2019, Erawan Philippines (Cebu), INC., an indirect subsidiary, entered into sub-lease agreement to lease land in Philippines for hotel construction. The rental period is 25 years ending in 2044. The indirect subsidiary agreed to pay a monthly rental rate in each year as mentioned in the agreement. Upon the termination of the agreement, the indirect subsidiary shall demolish the buildings or deliver all buildings and structures on such land to the sub-lessor, depending upon the purpose of the sub-lessor.

Hotel management agreements

On 24 February 1988, Erawan Hotel Public Company Limited, a subsidiary, entered into agreements with various companies in the Hyatt International Corporation Limited Group ("HYATT") whereby HYATT will provide necessary hotel construction and management services to the subsidiary. Under the terms of the agreements, the subsidiary is committed to pay a management fee, license fee, and a share of marketing and promotion expenses to HYATT, at the rates indicated in the agreements. The terms of the management agreement is for 20 years, counting from commencement of hotel operations, to be extended for at least 10 years, dependent upon certain conditions as specified in the agreement.

On 29 October 2010, Erawan Hotel Public Company Limited, a subsidiary, entered into amendment agreement with Hyatt to amend certain conditions in the agreement. The subsidiary agreed to extend the terms of the management agreement for another 9.5 years and automatically extended for 10 years under the terms of the agreement except the counter parties have notification letter at least 6 months before 30 June 2021 and extended for at least 10 years since the extending of second agreement by making notification letter for the counter parties before 29 June 2029, dependent upon certain conditions as specified in the agreement.

On 3 February 1994, Erawan Ploenchit Company Limited entered into an agreement with Marriott Worldwide Corporation Group ("Marriott") to appoint the Marriott as management of the subsidiary's hotel. The subsidiary also made agreements with Marriott relating to the hotel operations. Under the terms of the agreements, the subsidiary is committed to pay remuneration to Marriott at the rates, terms and basis specified in the agreements. The hotel management agreement will be terminated on 31 December 2032. On 1 January 2008, the subsidiary transferred all commitments under these agreements to the Company.

On 4 July 2005, Erawan Rajdamri Company Limited and Erawan Samui Company Limited entered into management agreements with Marriott Group ("Marriott"), to appoint the Marriott to manage the subsidiaries' hotel as a standardised Courtyard by Marriott and Renaissance hotel. Under the terms of the agreements, the subsidiaries are committed to pay remuneration to Marriott in accordance with the rates, terms and basis specified in the agreements. The terms of the hotel management agreements are for 30 years from commencement of hotel operations, and are extendible for a further period of at least 10 years, depend on the fulfillment of certain conditions specified in the agreements.

In December 2005, the Company entered into agreements with InterContinental Hotels Group to manage a hotel located at Pattaya under the brand Holiday Inn. Under the terms of the agreements, the Company is committed to pay remuneration in accordance with the rates, terms and basis specified in the agreements. The terms of the hotel management agreements are 15 years from commencement of hotel operations, and are extendible for a further period of at least five years, dependent upon the fulfillment of certain conditions specified in the agreements.

On 18 February 2013, the Company entered into amendment agreement with InterContinental Hotel Group. Under the term of the agreements, the Company is committed to pay remuneration in accordance with the rates, terms and basis specifies in the new amendment agreements. The term of the hotel management agreement is for 15 years from commencement of the additional building operations under the brand Holiday Inn, extendible for a further period of at least five years two times, dependent upon the fulfillment of certain conditions specified in the agreements.

In July 2011, Erawan Phuket Company Limited, a subsidiary, terminated management services agreements with Six Senses Company Group and entered into management services agreements with Starwood Group, which consequently merged with Marriott. In December 2017, all management services agreements with Starwood Group were assigned to Marriott Group. All terms and conditions under the management services agreements remain unchanged of which Marriott Group will provide resort management services to the subsidiary and the subsidiary is committed to pay management fees at the rates indicated in the agreements. The agreements will expire in December 2031 with an option to extend for further period which depends on certain conditions as specified in the agreements.

During June 2006 to December 2012, the Company and Erawan Chaopraya Company Limited, a subsidiary, entered into agreements with Accor Group to manage 12 hotels located in Thailand of the Company and a subsidiary under the brand Ibis and Mercure. Under the terms of the agreements, the Company and a subsidiary are committed to pay remuneration in accordance with the rates, terms and basis specified in the agreements. The terms of the hotel management agreements are 15 years from commencement of hotel operations, extendible for a further period of at least 5 years, dependent upon the fulfillment of certain conditions specified in the agreements. On 1 July 2009, the contract was extended from 15 to 20 years.

On 1 July 2013, the Company and its subsidiaries agreed with the Accor Group to terminate the hotel management agreements for 12 hotels and enter into franchise agreements with the Accor Group under the Ibis and Mercure brand to replace the hotel management agreements. Under the terms of these agreements, the Company and its subsidiaries are committed to pay fees to Accor Group at the rates, terms and basis specified in the agreements. The periods of the franchise agreements are the same as the previous hotel management agreements.

On 30 December 2015, the Company entered into franchise agreements with the Accor Group to operate hotels under the Ibis Styles and Novotel brands. Under the terms of these agreements, the Company is committed to pay fees to Accor Group at the rates, terms and basis specified in the agreements. The term of the franchise agreement is for 20 years from commencement of hotel operations.

On 29 December 2016, the Company entered into franchise agreements with the Accor Group to operate hotels under the Ibis Styles and Mercure brands. Under the terms of these agreements, the Company is committed to pay fees to Accor Group at the rates, terms and basis specified in the agreements. The term of the franchise agreement is for 20 years from commencement of hotel operations.

On 5 December 2017, Erawan Philippines (Cebu), Inc., an indirect subsidiary, entered into an agreement with InterContinental Hotels Group to franchise the brand Holiday Inn. Under the terms of the agreement, the subsidiary is committed to pay remuneration in accordance with the rates, terms and basis specified in the agreement. The terms of the franchise agreement is for 20 years from the commencement of hotel operation, and is extendible for a further period of at least five years, dependent upon fulfillment of certain conditions specified in the agreement.

36 Events after the reporting period

The COVID-19 pandemic

As disclosed in note 5, the Group has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group. Management is closely monitoring the situation and managing to lessen the impact as much as possible.

Investment in associates

On 3 February 2021, the associate declared the capital reduction amounting to Baht 3.5 million, which will be paid back for such capital reduction to the Company on 5 March 2021.

Investment in subsidiaries

On 5 February 2021, Erawan Singapore Pte. Ltd. paid for the share capital of Erawan Philippines, INC., totaling PHP 81,685,000.

Share capital

At the Company's board of directors' meeting held on 23 February 2021, the board of directors passed a resolution to propose to the 2021 annual general meeting of the shareholders of the company for the following matters:

1. The reduction of the Company's registered share capital from Baht 2,788.7 million to Baht 2,517.5 million by eliminating registered shares which have not been subscribed.
2. The increase of the Company's registered share capital from Baht 2,517.5 million to Baht 4,891.2 million to reserve for:
 - a. The issuance of new capital increase through the existing shareholders (Right offering) not exceeding 2,014,026,548 shares
 - b. The issuance of new warrants for the right to purchase ordinary shares to existing shareholders of not exceeding 359,649,597 shares
3. To approve the dividend omission for the year 2020.



Corporate Information

The Erawan Group Public Company Limited, Registration No : 0107537001943

Head Office

Ploenchit Center

6th Floor, 2 Sukhumvit Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110 Thailand
Telephone : 66 (0) 2257 4588
Fax : 66 (0) 2257 4577

Branch 1

Erawan Bangkok

494 Ploenchit Road, Kwang Lumpini, Khet Pathumwan, Bangkok 10330 Thailand
Telephone : 66 (0) 2250 7777
Fax : 66 (0) 2250 7788

Branch 2

JW Marriott Bangkok

4 Sukhumvit Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110 Thailand
Telephone : 66 (0) 2656 7700
Fax : 66 (0) 2656 9831

Branch 3

Ibis Patong Phuket

10 Chalermpkrakiat Road, Patong Sub-district, Kathu District, Phuket 83150 Thailand
Telephone : 66 (0) 7630 3888
Fax : 66 (0) 7630 3889

Branch 4

Ibis Pattaya

463/79 Pattaya Sai 2 Road, Nongprue Sub-district, Bang Lamung District, Chonburi 20150 Thailand
Telephone : 66 (0) 3841 8188
Fax : 66 (0) 3841 8189

Branch 5

Ibis Samui

197 Rob Koh Road, Bophut Sub-district, Koh Samui District, Surat Thani 84320 Thailand
Telephone : 66 (0) 7791 4888
Fax : 66 (0) 7791 4889

Branch 6

Ibis Sathorn

29/9 Soi Ngam Duphli, Rama IV Road, Kwang Thung Mahamek, Khet Sathorn, Bangkok 10120 Thailand
Telephone : 66 (0) 2610 5188
Fax : 66 (0) 2610 5189

Branch 7

Ibis Bangkok Sukhumvit 4

41 Soi Sukhumvit 4, Sukhumvit Road, Kwang Klong Toey, Khet KlongToey, Bangkok 10110 Thailand
Telephone : 66 (0) 2667 5888
Fax : 66 (0) 2667 5889

Branch 8

Holiday Inn Pattaya and Holiday Inn Executive Pattaya

463/68, 463/99 Pattaya Sai 1 Road, Nongprue Sub-district, Bang Lamung District, Chonburi 20150 Thailand
Telephone : 66 (0) 3872 5555
Fax : 66 (0) 3872 5556

Branch 9

Ibis Kata

88/8 Kata Road, Karon Sub-district, Mueang Phuket District, Phuket 83100 Thailand
Telephone : 66 (0) 7636 3488
Fax : 66 (0) 7636 3489

Branch 10

Ibis Hua Hin

73/15 Soi Mooban Nongkae, Nongkae Sub-district, Hua-Hin District, Prachuapkhirikhan 77110 Thailand
Telephone : 66 (0) 3261 0388
Fax : 66 (0) 3261 0389

Branch 11

Mercure Ibis Bangkok Siam

927 Rama 1 Road, Kwang Wangmai, Khet Pathumwan, Bangkok 10330 Thailand
Telephone : 66 (0) 2874 7222
Fax : 66 (0) 2874 7229

Branch 12

Ibis Styles Krabi Ao Nang

725 Moo 2, Ao Nang Sub-district, Mueang Krabi District, Krabi 81000 Thailand
Telephone : 66 (0) 7562-6388
Fax : 66 (0) 7562 6389

Branch 13

Mercure Pattaya Ocean Resort

463/100 Moo 9, Nongprue Sub-district, Bang Lamung District, Chonburi 20150 Thailand
Telephone : 66 (0) 3876 9688
Fax : 66 (0) 3876 9689

Branch 14

Novotel Ibis Styles Bangkok Sukhumvit 4

27 Soi Sukhumvit 4, Sukhumvit Road, Kwang Klong Toey, Khet KlongToey, Bangkok 10110 Thailand
Telephone : 66 (0) 2080 5388
Fax : 66 (0) 2080 5389

Branch 15

Mercure Ibis Bangkok Sukhumvit 24

5/1 Soi Sukhumvit 24, Sukhumvit Road, Kwang Klong Tan, Khet KlongToey, Bangkok 10110 Thailand
Telephone : 66 (0) 2080 6588
Fax : 66 (0) 2080 6589

Home page

www.TheErawan.com

Type of Business

Invest and develop hotel properties strategically located to match travelers' different demand including property management and retail shops.

Company's Capital as at 31st December 2020

Registered Capital: 2,788,664,866 Baht

2,788,664,866 ordinary shares at par value 1 Baht/share.

Paid-Up Capital: 2,517,533,185 Baht

2,517,533,185 ordinary shares at par value 1 Baht/share.

Other References

Registrar of Ordinary Shares

Thailand Securities Depository Co., Ltd.

No. 93 Rachadapisek Road, Dindaeng, Bangkok 10400 Thailand

Telephone :66 (0) 2009 9000

Fax :66 (0) 2009 9991

HEAD OFFICE

THE ERAWAN GROUP PUBLIC COMPANY LIMITED

6th Floor, Ploenchit Center, 2 Sukhumvit Road,

Kwang Klongtoey, Khet Klongtoey, Bangkok 10110 Thailand

Telephone : 66 (0) 2257 4588

Fax :66 (0) 2257 4577

www.TheErawan.com

Auditor

Ms. Vilaivan Pholprasert

Certified Public Accountant (Thailand) No. 8420

Ms. Vipavan Pattavanvivek

Certified Public Accountant (Thailand) No. 4795

Mrs. Wilai Buranakittisophon

Certified Public Accountant (Thailand) No. 3920

KPMG Phoomchai Audit Ltd.

48th Floor, Empire Tower, 195 South Sathorn Road,
Bangkok 10120, Thailand

Telephone :66 (0) 2677 2000

Fax: 66 (0) 2677 2222



ibis Bangkok Sukhumvit 24

Hotel Business

Grand Hyatt Erawan Bangkok Hotel

494 Ploenchit Road, Pathumwan,

Bangkok, 10330 Thailand

Telephone : 66 (0) 2254 1234

Fax : 66 (0) 2254 6267

<https://Bangkok.grand.hyatt.com>

JW Marriott Bangkok

4 Sukhumvit Soi 2, Sukhumvit Road, Klongtoey,

Bangkok, 10110 Thailand

Telephone : 66 (0) 2656 7700

Fax :66 (0) 2656 7711

www.marriott.com/bkkdt

Renaissance Koh Samui Resort and Spa

208/1 Moo 4, T. Maret, Lamai Beach Sub-district, Koh Samui District,
Surat Thani 84310 Thailand

Telephone : 66 (0) 7742 9300

Fax : 66 (0) 7742 9333

www.marriott.com/usmbr

The Naka Island, a Luxury Collection Resort & Spa, Phuket

32 Moo 5, Paklok Sub-district, Thalang District,

Phuket 83110 Thailand

Telephone : 66 (0) 7637 1400

Fax : 66 (0) 7637 1401

www.nakaishlandphuket.com

Courtyard by Marriott Bangkok

155/1 Soi Mahadlekluang 1, Rajdamri Road, Pathumwan,
Bangkok 10330 Thailand

Telephone : 66 (0) 2690 1888

Fax :66 (0) 2690 1899

www.courtyard.com/bkkcy

Holiday Inn Pattaya and Holiday Inn Executive Pattaya

463/68, 463/99 Pattaya Sai 1 Road, Nongprue Sub-district,

Bang Lamung District, Chonburi 20150 Thailand

Telephone : 66 (0) 3872 5555

Fax : 66 (0) 3872 5556

www.holidayinn-pattaya.com

Mercure Bangkok Siam

927 Rama 1 Road, Pathumwan,

Bangkok 10330 Thailand

Telephone : 66 (0) 2874 7222

Fax : 66 (0) 2874 7229

www.mercure.com

Mercure Pattaya Ocean Resort

463/100 Moo 9, Nongprue Sub-district, Bang Lamung District,

Chonburi 20150 Thailand

Telephone : 66 (0) 3876 9688

Fax : 66 (0) 3876 9689

www.mercure.com

Novotel Bangkok Sukhumvit 4

27 Sukhumvit Soi 4, Sukhumvit Road, Klongtoey, Bangkok, 10110 Thailand
Telephone : 66 (0) 2080 5388
Fax : 66 (0) 2080 5389
www.novotel.com

Mercure Bangkok Sukhumvit 24

5/1 Soi Sukhumvit 24, Sukhumvit Road, Kwang Klong Tan, Khet KlongToey, Bangkok 10110 Thailand
Telephone : 66 (0) 2080 6588
Fax : 66 (0) 2080 6589
www.mercure.com

ibis Phuket Patong

10 Chalermpkrakiat Road, Patong Sub-district, Kathu District, Phuket 83150 Thailand
Telephone : 66 (0) 7630 3888
Fax : 66 (0) 7630 3889
www.ibisthailand.com

ibis Pattaya

463/79 Pattaya Sai 2 Road, Nongprue Sub-district, Bang Lamung District, Chonburi 20150 Thailand
Telephone : 66 (0) 3841 8188
Fax : 66 (0) 3841 8189
www.ibisthailand.com

ibis Samui

197 Rob Koh Road, Bophut Sub-district, Koh Samui District, Surat Thani 84320 Thailand
Telephone : 66 (0) 7791 4888
Fax : 66 (0) 7791 4889
www.ibisthailand.com

ibis Bangkok Sathorn

29/9 Soi Ngam Duphli, Rama IV Road, Sathorn, Bangkok 10120 Thailand
Telephone : 66 (0) 2610 5188
Fax : 66 (0) 2610 5189
www.ibisthailand.com

ibis Bangkok Sukhumvit 4

41 Sukhumvit Soi 4, Sukhumvit Road, Klongtoey, Bangkok 10110 Thailand
Telephone : 66 (0) 2667 5888
Fax : 66 (0) 2667 5889
www.ibisthailand.com

ibis Kata

88/8 Kata Road, Karon Sub-district, Mueang Phuket District, Phuket 83100 Thailand
Telephone : 66 (0) 7636 3488
Fax : 66 (0) 7636 3489
www.ibisthailand.com

ibis Bangkok Riverside

27, Soi Charoennakorn 17, Charoennakorn Road, Klongsan, Bangkok 10600 Thailand
Telephone : 66 (0) 2805 9888
Fax : 66 (0) 2805 9889
www.ibisthailand.com

ibis Hua Hin

73/15 Soi Moobaan Nongkae, Nongkae Sub-district, Hua-Hin District, Prachuapkhirikhan 77110 Thailand
Telephone : 66 (0) 3261 0388
Fax : 66 (0) 3261 0389
www.ibisthailand.com

ibis Bangkok Siam

927 Rama 1 Road, Pathumwan, Bangkok 10330 Thailand
Telephone : 66 (0) 2874 7222
Fax : 66 (0) 2874 7229
www.ibisthailand.com

ibis Styles Krabi Ao Nang

725 Moo 2, Ao Nang Sub-district, Mueang Krabi District, Krabi 81000 Thailand
Telephone : 66 (0) 7562 6388
Fax : 66 (0) 7562 6389
www.ibisthailand.com

ibis Styles Bangkok Sukhumvit 4

27 Soi Sukhumvit 4, Sukhumvit Road, Klongtoey, Bangkok, 10110 Thailand
Telephone : 66 (0) 2080 5388
Fax : 66 (0) 2080 5389
www.ibisthailand.com

ibis Bangkok Sukhumvit 24

5/1 Soi Sukhumvit 24, Sukhumvit Road, Kwang Klong Tan, Khet Klong Toey, Bangkok, 10110 Thailand
Telephone : 66 (0) 2080 6788
Fax : 66 (0) 2080 6789
www.ibisthailand.com

HOP INN Nong Khai

889 Moo 3, Nai Mueang Sub-district, Mueang Nong Khai District, Nong Khai Thailand
Telephone : 66 (0) 4241 3599
Fax : 66 (0) 4241 3833
<http://www.hopinhotel.com>

HOP INN Mukdahan

18 Chayangkul Kor Road, Mukdahan Sub-district, Mueang Mukdahan District, Mukdahan 49000 Thailand
Telephone : 66 (0) 4263 0399
Fax : 66 (0) 4263 0833
<http://www.hopinhotel.com>

HOP INN Kanchanaburi

360/39 U Thong Road, Pak Phraek Sub-district, Mueang Kanchanaburi District, Kanchanaburi 71000 Thailand
Telephone : 66 (0) 3451 3599
Fax : 66 (0) 3451 4533
<http://www.hopinhotel.com>

HOP INN Kanchanaburi 2

360/39 U Thong Road, Pak Phraek Sub-district, Mueang Kanchanaburi District, Kanchanaburi 71000 Thailand
Telephone : 66 (0) 3451 3599
Fax : 66 (0) 3451 4533
<http://www.hopinhotel.com>

HOP INN Udon Thani

30/2 Moo 7, Soi Ban Nonpi boon, Pi boon Road, Mak Khaeng Sub-district, Mueang Udon Thani District, Udon Thani 41000 Thailand

Telephone : 66 (0) 4232 4299

Fax : 66 (0) 4232 4423

<http://www.hopinhotel.com>

HOP INN Sa Kaeo

1/10 Thesaban 18 Road, Sa Kaeo Sub-district, Mueang Sa Kaeo District, Sa Kaeo 27000 Thailand

Telephone : 66 (0) 3742 1299

Fax : 66 (0) 3742 1133

<http://www.hopinhotel.com>

HOP INN Ubon Ratchathani

263 Moo1, Chaeramae Sub-district, Mueang Ubon Ratchathani District, Ubon Ratchathani 34000 Thailand

Telephone : 66 (0) 4535 5199

Fax : 66 (0) 4531 1533

<http://www.hopinhotel.com>

HOP INN Khon Kaen

90/609 Moo 4, Nai Mueang Sub-district, Mueang Khon Kaen District, Khon Kaen 40000 Thailand

Telephone : 66 (0) 4322 3899

Fax : 66 (0) 4322 3033

<http://www.hopinhotel.com>

HOP INN Khon Kaen 2

175 Rob Mueang Road, Nai Mueang Sub-district, Mueang Khon Kaen District, Khon Kaen 40000 Thailand

Telephone : 66 (0) 4322 3899

Fax : 66 (0) 4322 3033

<http://www.hopinhotel.com>

HOP INN Nakhon Ratchasima

624 Suebsiri Road, Nai Mueang Sub-district, Mueang Nakhon Ratchasima District, Nakhon Ratchasima 30000 Thailand

Telephone : 66 (0) 4435 5039

Fax : 66 (0) 4435 4033

<http://www.hopinhotel.com>

HOP INN Mae Sot

81/9 Asian Highway, Mae Sot Sub-district, Mae Sot District, Tak 63110 Thailand

Telephone : 66 (0) 5553 6399

Fax : 66 (0) 5553 5833

<http://www.hopinhotel.com>

HOP INN Mae Sot 2

81/18 Asian Highway, Mae Sot Sub-district, Mae Sot District, Tak 63110 Thailand

Telephone : 66 (0) 5553 6399

Fax : 66 (0) 5553 5833

<http://www.hopinhotel.com>

HOP INN Lampang

79/31 Phaholyothin Road, Suan dok Sub-district, Mueang Lampang District, Lampang 52100 Thailand

Telephone : 66 (0) 5422 7899

Fax : 66 (0) 5422 8333

<http://www.hopinhotel.com>

HOP INN Phitsanulok

66/6 Moo 10, Siharat Decho Chai Road, Wat Chan Sub-district, Mueang Phitsanulok District, Phitsanulok 65000 Thailand

Telephone : 66 (0) 5533 4699

Fax : 66 (0) 5533-4522

<http://www.hopinhotel.com>

HOP INN Surat Thani

5/135 Moo 3, Soi Suchon 1, Liang Mueang Road, Makham Tia Sub-district, Mueang Surat Thani District, Surat Thani 84000 Thailand

Telephone : 66 (0) 7743-7099

Fax : 66 (0) 7743-7255

<http://www.hopinhotel.com>

HOP INN Nakhon Si Thammarat

59 Pattanakam-Khukwang Road, Tha Wang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat 80000 Thailand

Telephone : 66 (0) 7580 8199

Fax : 66 (0) 7580 8133

<http://www.hopinhotel.com>

HOP INN Roi-et

377 Moo 6 Rob Mueang Soi 5, Rob Mueang Road, Nuea Mueang Sub-district, Mueang Roi Et District, Roi Et 45000 Thailand

Telephone : 66 (0) 4352 2122

Fax : 66 (0) 4352 2233

<http://www.hopinhotel.com>

HOP INN Trang

251/35 Moo 4 Phetkasem Road, Ban Pho Sub-district, Mueang Trang District, Trang 92000 Thailand

Telephone : 66 (0) 7521 6899

Fax : 66 (0) 7521 2033

<http://www.hopinhotel.com>

HOP INN Krabi

19 Ruamjit Road, Pak Nam Sub-district, Mueang Krabi District, Krabi 81000 Thailand

Telephone : 66 (0) 7562 0889

Fax : 66 (0) 7562 0133

<http://www.hopinhotel.com>

HOP INN Krabi 2

19/1 Ruamjit Road, Pak Nam Sub-district, Mueang Krabi District, Krabi 81000 Thailand

Telephone : 66 (0) 7562 0889

Fax : 66 (0) 7562 0133

<http://www.hopinhotel.com>

HOP INN Chumphon

75/59 Soi Krumluang Chumphon 3, Krumluang Chumphon Road, Tha Taphao Sub-district, Mueang Chumphon District, Chumphon 86000 Thailand

Telephone : 66 (0) 7750 1799

Fax : 66 (0) 7750 3433

<http://www.hopinhotel.com>

HOP INN Chantaburi

169/5 Tha Chalaep Road, Talad Sub-district, Mueang Chanthaburi District, Chanthaburi 22000 Thailand

Telephone : 66 (0) 3930 2599

Fax : 66 (0) 3931 3633

<http://www.hopinhotel.com>

HOP INN Sakonnakorn

1912 Tor Phatthana Road, That Choeng Chum Sub-district,
Mueang Sakon Nakhon District, Sakon Nakhon 47000 Thailand
Telephone : 66 (0) 4271 6399
Fax: 66 (0) 4271 3233
<http://www.hopinhotel.com>

HOP INN Chiang Mai

1 Soi Saijai, Huay Kaew Road, Chang Phueak Sub-district,
Mueang Chiang Mai District, Chiang Mai 50300 Thailand
Telephone : 66 (0) 5321 7599
Fax: 66 (0) 5321 7533
<http://www.hopinhotel.com>

HOP INN Chiang Mai Super Highway

386 Chiang Mai - Lampang Road, Fa Ham Sub-district, Mueng Chiang
Mai District, Chiang Mai 50000 Thailand
Telephone : 66 (0) 5324 3499
Fax: 66 (0) 5324 2833
<http://www.hopinhotel.com>

HOP INN Hat Yai

1318 Kanchanavanich Road, Hat Yai Sub-district,
Mueang Hat Yai District, Songkhla 90110 Thailand
Telephone : 66 (0) 7424 1829
Fax: 66 (0) 7424 1825
<http://www.hopinhotel.com>

HOP INN Phuket

14/19 Moo 6, Thepkasattri Road, Ratsada Sub-district,
Mueang Phuket District, Phuket 83000 Thailand
Telephone : 66 (0) 7652 3399
Fax: 66 (0) 7652 3343
<http://www.hopinhotel.com>

HOP INN Buriram

517/27 Jira Road. Naimueang Sub-district, Mueang Buriram District,
Buriram 31000 Thailand
Telephone : 66 (0) 4460 1699
Fax: 66 (0) 4461 1633
<http://www.hopinhotel.com>

HOP INN Rayong

355/3 Sukhumvit Road, Neanpra Sub-district, Mueang Rayong District,
Rayong 21000 Thailand
Telephone : 66 (0) 3861 3399
Fax: 66 (0) 3861 3833
<http://www.hopinhotel.com>

HOP INN Lampang City Center

101/22 Chansurin Road, Sobotui Sub-district, Mueang Lampang District,
Lampang 52100 Thailand
Telephone : 66 (0) 05422 6299
Fax: 66 (0) 05422 6233
<http://www.hopinhotel.com>

HOP INN Chiang Rai

934/28 Phaholyothin Road, Viang Sub-district, Mueang Chiangrai District,
Chiang Rai 10900 Thailand
Telephone : 66 (0) 5371 9479
Fax: 66 (0) 5371 9513
<http://www.hopinhotel.com>

HOP INN Hua Hin

6/4 Damrongratch Road, Huahin Sub-district, Huahin District,
Prachuap Khiri Khan 77110 Thailand
Telephone : 66 (0) 3251 3199
Fax: 66 (0) 3251 2733
<http://www.hopinhotel.com>

HOP INN Nakhonsawan

605/755 Moo 10, Nakhon Sawan Tok Sub-district, Mueang Nakhon
Sawan District, Nakhon Sawan 60000 Thailand
Telephone : 66 (0) 5622 2499
Fax: 66 (0) 5622 2433
<http://www.hopinhotel.com>

HOP INN Lopburi

228 Moo 2, Ta Sa La Sub-district, Mueang Lopburi District,
Lopburi 15000 Thailand
Telephone : 66 (0) 3642 2666
Fax: 66 (0) 3642 2308
<http://www.hopinhotel.com>

HOP INN Surin

5/1 Soi Poy Tang Ko, Nai Mueang Sub-district, Mueang Surin District,
Surin 32000 Thailand
Telephone : 66 (0) 4451 2397
Fax: 66 (0) 4451 2398
<http://www.hopinhotel.com>

HOP INN Chonburi

40/1 Moo1, Huaykapi Sub-district, Mueang Chonburi District,
Chonburi 20000 Thailand
Telephone : 66 (0) 3811 1499
Fax: 66 (0) 3819 5022
<http://www.hopinhotel.com>

HOP INN Chaengwattana

1/79 Moo 4 Klongkluea Sub-district, Pak kret District,
Nonthaburi 11120
Telephone : 66 (0) 2147 2939
Fax: 66 (0) 2147 2933
<http://www.hopinhotel.com>

HOP INN Khon Kaen Mittraphap Road

470 Moo 8 Mueang Kao Sub-district, Mueang khonkaen District,
Khonkaen 40000
Telephone : 66 (0) 4342 4880
Fax: 66 (0) 4342 4884
<http://www.hopinhotel.com>

HOP INN Rayong Sukhumvit Road

359/17 Sukhumvit road, Noen Phra Sub-district, Mueang Rayong
District, Rayong 21000
Telephone : 66 (0) 3861 0099
Fax: 66 (0) 3861 0033
<http://www.hopinhotel.com>

HOP INN Chiang Rai Clock Tower

413/1 Airport Road, Wiang Subdistrict, Mueang Chiang Rai District,
Chiang Rai 57000
Telephone : 66 (0) 5360 0699
Fax: 66 (0) 5360 0633
<http://www.hopinhotel.com/>

HOP INN Rangsit

92/2 Phahonyothin Road, Prachathipat Sub-district, Thanyaburi District, Pathum Thani 12130

Telephone : 66 (0) 2147 2099

Fax : 66 (0) 2147 2433

<http://www.hopinnhotel.com>

HOP INN Hat Yai Downtown

264 Supasamrangsarn Rd., Hat Yai Sub-district, Hat Yai District, Songkhla 90110

Telephone : 66 (0) 7455 1199

Fax : 66 (0) 7455 1133

<http://www.hopinnhotel.com>

HOP INN Nakhon Pathom

554 Rachamanka Road, Sanam Chan Sub-district, Mueang Nakhon Pathom District, Nakhon Pathom 73000 Thailand

Telephone : 66 (0) 3490 0399

Fax : 66 (0) 3496 6733

<http://www.hopinnhotel.com>

Hop Inn Chiang Mai Airport

234/10 Wua Lai Rd., Haiya Sub-district, Mueang Chiang Mai District, Chiang Mai, 50100

Telephone : 66 (0) 5327 0833

Fax : 66 (0) 5327 0836

<http://www.hopinnhotel.com>

Hop Inn Phitsanulok Mittraphap Road

999/119 Mittraphap Rd., Nai Mueang Sub-district, Mueang Phitsanulok District, Phitsanulok 65000

Telephone : 66 (0) 5537 7399

Fax : 66 (0) 5537 7392

<http://www.hopinnhotel.com>

Rental Property**Erawan Bangkok**

494 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Thailand

Telephone : 66 (0) 2250 7777

Fax : 66 (0) 2250 7788

www.erawanbangkok.com

HOP INN ERMITA MANILA

1850 M.H. Del Pilar Street, Malate, City of Manila, Metro Manila 1004 Philippines

Telephone : 63 2 528 3988

Fax : 63 2 528 3999

<http://www.hopinnhotel.com>

HOP INN MAKATI AVENUE

7806 Makati Avenue, Makati City,

Metro Manila 1210 Philippines

Telephone : 63 2 816 7866

Fax : 63 2 816 7876

<http://www.hopinnhotel.com>

HOP INN ASEANA CITY MANILA

Lot 9 Block 5, near corner of Bradco Avenue and Macapagal Boulevard, Aseana Business Park, Aseana City, Parañaque City, Metro Manila 1702 Philippines

Telephone : 63 2 842 6850, Fax : 63 2 842 0013

<http://www.hopinnhotel.com>

HOP INN ALABANG MANILA

Lot 2 Block 4 Phase 3, Market Street, Madrigal Business Park, Ayala Alabang, Muntinlupa City, Metro Manila 1780 Philippines

Telephone : 63 2 296 1464

Fax : 63 2 296 2709

<http://www.hopinnhotel.com>

HOP INN TOMAS MORATO QUEZON CITY

312 Tomas Morato Avenue, Brgy. South Triangle, Quezon City, Metro Manila 1103 Philippines

Telephone : 63 2 990 0720

Fax : 63 2 990 0729

<http://www.hopinnhotel.com>



JW Marriott Hotel Bangkok: Man Ho

The Erawan Group Public Company Limited

Ploenchit Center 6th Floor 2 Sukhumvit Road,
Kwang Klongtoey, Khet Klongtoey,
Bangkok 10110 Thailand

Tel. +66 (0) 2257 4588
Fax. +66 (0) 2257 4577

Registration No. 0107537001943

www.theerawan.com

บริษัท ดี เอราวัณ กรุ๊ป จำกัด (มหาชน)

อาคารเพลินจิต เซ็นเตอร์ ชั้น 6 เลขที่ 2 ถนนสุขุมวิท
แขวงคลองเตย เขตคลองเตย
กรุงเทพฯ 10110

โทรศัพท์ +66 (0) 2257 4588
โทรสาร +66 (0) 2257 4577

ทะเบียนเลขที่: 0107537001943