

Annual Report 2020



laGuna
RESORTS & HOTELS



Laguna Resorts & Hotels
Public Company Limited

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MESSAGE FROM THE MANAGEMENT

The year 2020 had been an unprecedented year of challenges and uncertainty. Amidst Covid, which had adversely impacted most businesses and industries, LRH Group reported an operating EBITDA gain of THB 324 million before exceptional items for the fourth quarter of 2020 and THB 404 million for the year.

The Group's hotels in Phuket province ceased operations from April to May 2020 in compliance with the government's measures to curtail the spread of Covid. In order to reduce the Group's overhead costs, the Group's hotels in Phuket province continued to remain closed from June to August 2020 due to the sharp decline in tourists. The hotels pivoted to domestic business to drive occupancy. They reopened in September 2020 after the Thai Government launched the subsidised travel scheme to stimulate domestic travel. To improve hotel business, the Group hosted several major events and launched numerous promotional campaigns offering attractive value-added hotel packages through trade fairs and social media.

Additionally, the Group had implemented extensive measures to reduce its overhead expenses through an unpaid leave scheme, flexible job plan arrangements, reduced expenditure and corporate reorganisation exercises to improve productivity, which significantly lowered its "burn rate". The Group has also successfully negotiated with its bank to defer loan principle repayments and interest payments by at least 12 months.

For the property development business, the Group had to temporarily suspend the construction of several existing property projects in the Phuket province due to the lockdown measures. The Group had restarted some of its property projects' construction in June 2020. Despite the pandemic, which softened demand and limited inspections of our product offerings by our mainly foreign buyers because of international border closures, our offsite sales networks, particularly China, proved resilient by maintaining sales momentum and continuing to sell properties. In 2020, the sales of new properties exceeded Baht 1,000 million. Sales



MESSAGE FROM THE MANAGEMENT

channel development and digital marketing activities will continue to be key areas of focus going forward in China and other key markets to keep diversifying our base and increase brand awareness to expand our reach to potential buyers worldwide. Our strategy remains to unlock value from our land bank by rolling out new projects to meet ongoing demand and we are planning new launches when the situation is more stable.

Nevertheless, Covid continues to impact the Group's financial position in the near and mid-term with the extended recovery. The management is closely monitoring the developments and adopts prudence in its capital and cashflow management. Measures included cost containment, valuation of assets, provisions and contingency for liabilities. Looking ahead, the Group will prioritise agility to shift resources to drive profitability as market dynamic changes.

Since inception, wellbeing and sustainability have been the core pillars of our business philosophy. Besides conserving the environment, we contribute to the destination growth of Phuket through our community projects and developing it as a prominent sports and lifestyle hub in Asia.

Staying true to our commitment, the Group had continued to provide food and sustenance to our Children First Fund's 7 orphanages of 400 underprivileged children. In addition, we contributed sustenance packs, Angsana hotel meal boxes, Little Sharing Pantry food programme, Laguna Phuket Saving Cooperative financial support and cash donations to nearby communities and Vachira hospital for the set-up of Field Hospital at Phuket City Hall. These had benefitted more than 4000 people and their families.

2020 was also a year of noteworthy recognitions, As a pioneer with ongoing sustainability stewardship, Laguna Phuket was presented the prestigious AMCHAM CSR Excellence (ACE) Gold Award 2020 for the sixth consecutive year and amongst the Top Finalists for Thai Development Award. We won the Certificate of Merit by Sustainable Business Awards Thailand and were named Phuket Province Best Social Contribution Organisation by the Phuket Province Social Development and Human Security Office.

Elevating the destination's economic and tourism development in the global sports arena, our iconic Laguna Phuket Triathlon was named The World's Top 8 Greatest Tri Swims by 220 Triathlon Magazine (UK). The flagship Banyan Tree Phuket was named Thailand's Best Golf Hotel 2020 by World Golf Awards. Laguna Golf Phuket had been the venue host of several international tournaments. As Phuket's largest MICE venue, Angsana Laguna Phuket was awarded ASEAN MICE Venue Standard Certification by Thailand Convention and Exhibition Bureau.

Laguna Phuket continues to be recognised as a popular lifestyle destination for property investment. The 2020 International Property Awards conferred 6 awards, with 2 being exceptional status. For leading the digital front, Skypark was named Best Development Marketing for Thailand (Winner) – 5-Star; while Angsana Oceanview Residences as Best Apartment/Condominium for Thailand (Winner) – 5-Star.

In all, our dedicated people is our pillar of success. As a purpose-driven employee of choice, our Angsana Laguna Phuket had received the 2020 Excellent Establishment on Labour Relations and Welfare awarded by the Thailand Ministry of Labour while Banyan Tree Bangkok garnered Thailand's Best Employer Brand Award 2020 presented by CHRO Asia.



Mr Shankar Chandran
Managing Director

FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS

Financial Highlights

(Unit : Million Baht)

Information from Consolidated Financial Statements	2020	2019	2018 (Restated)
Total Assets	22,871	23,526	20,903
Total Liabilities	12,119	11,314	8,174
Total Shareholders' Equity	10,752	12,212	12,729
Revenue from Hotel Operations	1,207	3,356	3,573
Revenue from Property Development Operations	1,573	2,568	1,706
Total Revenue	2,834	6,120	5,447
Operating Profit (loss)	(620)	672	272
Share of gain (loss) from Investment in Associate	3	5	66
Finance Income	52	38	31
Finance Cost	(235)	(132)	(158)
Income Tax Expenses	(168)	(225)	(128)
Non-controlling Interests of the Subsidiaries	(21)	(6)	(4)
Profit (loss) for the Year Attributable to Equity Holders of the Company	(947)	364	88

Financial Ratios

Information from Consolidated Financial Statements	2020	2019	2018 (Restated)
Quick Ratio (Times)	0.25	0.29	0.35
Receivables Turnover (Times)	4.24	9.70	9.62
Accounts Payable Turnover (Times)	2.26	5.49	3.63
Return on Total Revenue (%)	(32.82)	5.91	1.60
Return on Total Equity (%)	(8.25)	2.92	0.69
Return on Total Assets (%)	(4.08)	1.64	0.42
Earnings Per Share (Baht)	(5.68)	2.18	0.53
Dividend Per Share (Baht)	-	12.00	0.41
Net Asset Value Per Share (Baht)	64.51	73.27	76.37
Weighted Average Number of Ordinary Shares	166,682,701	166,682,701	166,682,701

* On 24 February 2021 the Board of Directors approved no dividend payment. At the time of printing this report, the Board of Directors proposed a final no dividend payment but it is subject to the approval of the Annual General Meeting.



COMPANY PROFILE

Company History

Laguna Resorts & Hotels Public Company Limited (The Company) was founded in 1983. It shortly thereafter acquired a large parcel of land on the site of an abandoned tin mine at Bangtao Bay, Phuket, Thailand which was later developed to become the Laguna Phuket integrated resort complex.

Major businesses of the Company and its subsidiaries (The Group) are hotel business and property development. The subsidiaries also engage in operating a golf club, sales of merchandise, office rental, and sales of holiday club memberships.

Milestones

1987

Dusit Thani Laguna Phuket (formerly known as Dusit Laguna Resort) opened.



1991

Laguna Beach Resort opened.

1992

Sheraton Grande Laguna Phuket and the Laguna Phuket Golf Club opened.

1993

The Company listed on the Stock Exchange of Thailand.

Property Sales operations commenced with the Allamanda condominium units.

1995

The resort's flagship hotel, Banyan Tree Phuket's Grand Opening.

1998

Laguna Holiday Club commenced operations.

2002

The Group acquired a large parcel of land adjacent to Laguna Phuket for future development opportunities.



2005

The Group acquired Thai Wah Plaza Limited which owns Banyan Tree Bangkok and commercial offices.



2006

Banyan Tree Lijiang, People's Republic of China and Laguna Holiday Club Phuket Resort opened. The latter is operated under the Holiday Club Business.



2008

The Group entered into an agreement to acquire additional land adjacent to Laguna Phuket for future development.

2009

The Group invested in the Banyan Tree Indochina Hospitality Fund which has developed an integrated resort in Hue, Vietnam.

2013

Upgrade of Laguna Golf Phuket which included the golf course, clubhouse, and the introduction of golf carts.

2016

Angsana Vacation Club commenced operations in January.

Rebranding of Outrigger Laguna Phuket Resort & Villas to Angsana Villas Resort Phuket in August.

The Company further invested 1.25 percent in Thai Wah Public Company Limited.

2017

Divestment of Banyan Tree Lijiang and invested in Banyan Tree China Pte. Ltd.

2018

Opening of Cassia Phuket Phase 2

ANGSANA CONVENTION & EXHIBITION SPACE (ACES)

2010

Divestment of Dusit Thani Laguna Phuket Hotel in October.

2011

Divestment of Laguna Beach Resort in May.

Closure of the former Sheraton Grande Laguna Phuket for a major renovation and rebranding and reopening as Angsana Laguna Phuket in December.



LAGUNA GOLF PHUKET



SAFFRON CRUISE

2015

Reopening of Laguna Golf Phuket in January.

The grand opening of Cassia Phuket in October.

2019

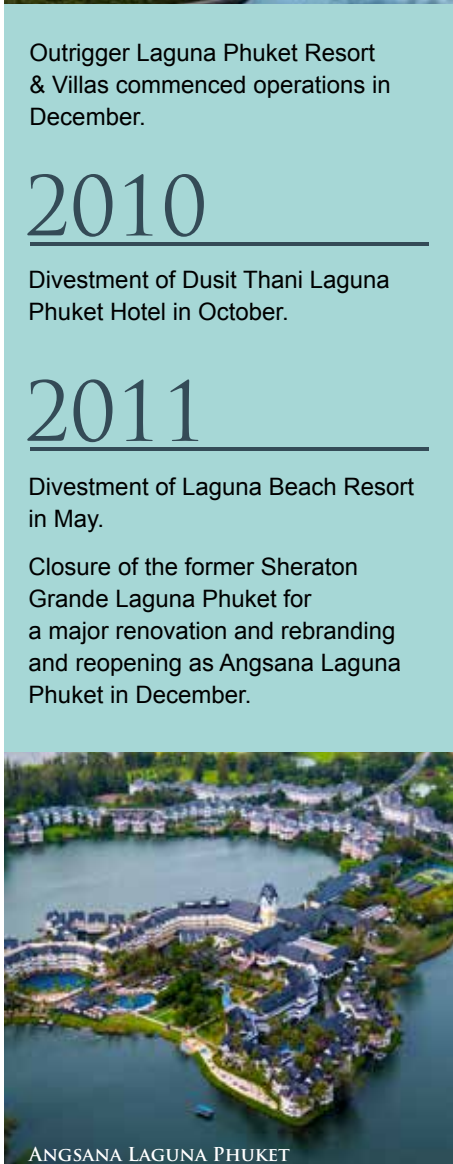
Completed construction of 45 new villas in Banyan Tree Phuket, increasing inventory to 220 villas.

Completed construction of ACES function & events centre at Angsana Laguna Phuket. This is the largest MICE facility in Phuket.

Opened Saffron Cruise in Bangkok in November.



ANGSANA VILLAS RESORT PHUKET



ANGSANA LAGUNA PHUKET



CASSIA PHUKET

ANGSANA OCEANVIEW RESIDENCES



Vision

To be a leading international hotel and property developer with full commitment to environmental protection, social responsibility, and maximum satisfaction to all stakeholders with an aim to pursue sustainable long-term business value development.

Mission

The Company has a clearly defined corporate mission designed to further its business aims and generate maximum returns for its shareholders. Principal in the Company's mission statement is to include a culture of cooperation between the hotels and business units to ensure a positive experience for each and every hotel guest, holiday club member, and property owner in Laguna Phuket, its most significant investment. In order to avoid an over-reliance on its operations in Laguna Phuket, the Company continues to diversify its investment portfolio away from Phuket by investing in projects in other parts of Thailand and within the Southeast Asia region and the People's Republic of China. Paramount in its mission of generating continued growth through expansion, innovation, and maximisation of market share, the Company seeks to conduct its operations in an environmentally sensitive manner.

Business Relationship with Major Shareholder

Banyan Tree Holdings Limited (BTH), a listed company in the Singapore Exchange, is a leading, international hospitality brand that manages and develops premium resorts, hotels and spas. It is a major shareholder which indirectly holds 86.3 percent of the total issued and paid-up shares of the Company. BTH is also a major shareholder holding both, directly and indirectly, more than 10 percent of the shares in several subsidiaries and one associate of the Company.

The subsidiaries and associate whose shares are held by BTH engage in hotel and property development as well as souvenir retail in the hotels managed by BTH. With BTH's expertise and experience of international hotel development and management of award-winning hotels under the trademarks of "Banyan Tree", "Angsana", "Cassia" and "Dhawa", the joint investment with BTH will result in the said subsidiaries and associate benefitting from the use of trademarks, reputation and managerial assistance of BTH.

COMPANY PROFILE

Types of Business

The key businesses of the Group are hotel operations, property development operations, and office rental. The Group's major business investment largely revolves around the operation and management of the integrated resort of Laguna Phuket, located on the island of Phuket in Thailand, as well as its investments in the Banyan Tree Bangkok.

Hotel Operations

Hotels

The Group has ownership in 2 hotels in Phuket and 1 hotel in Bangkok all of which are top-tier and luxury properties. Additionally, the Group has ownership interests in 2 branded residences which are operated as hotels, and a hotel that is used for the timeshare business in Laguna Phuket. The hotels offer a diverse range of accommodations which also include bars and restaurants, swimming pools, fitness centres, meeting rooms and facilities, business centres, etc.

The Group owns the majority of the room inventories in those hotels but some are owned by property investors who receive a return on their investment by joining a hotel management scheme and renting their properties to guests while some units are sold as holiday club membership

Hotel	Location	Opening year	Number of rooms owned by LRH Group (in operation)*	Company (% held by LRH Group)	Operator
Banyan Tree Phuket	Bangtao, Phuket	1995	144 (220)	LBTL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Angsana Laguna Phuket	Bangtao, Phuket	2011	328 (372)	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Banyan Tree Bangkok	Sathorn, Bangkok	2002	305 (327)	TWPL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Angsana Villas Resort Phuket	Bangtao, Phuket	2009	15 (63)	BGL (100%)	Banyan Tree Hotels & Resorts Pte. Ltd.
Cassia Phuket	Bangtao, Phuket	2015	90 (334)	PGR (100%)	Banyan Tree Hotels & Resorts Pte. Ltd. and Banyan Tree Hotels & Resorts (Thailand) Limited
Laguna Holiday Club Phuket Resort**	Bangtao, Phuket	2006	77 (77)	LHC (100%)	Banyan Tree Hotels & Resorts (Thailand) Limited

* The number of rooms shown in parenthesis include those owned by the Group which are developed for property sales, and those which have been sold as property sale units or holiday club membership.

** Classified under the Holiday Club Business for accounting purposes.

Hotel – Related Operation

Laguna Phuket is operated under an integrated resort concept, along with many hotel-related facilities which are also provided to support the concept. All of these facilities are owned and operated by the Group.

Hotel – related operation	Opening year	Company (% held by LRH Group)	Type of business / facilities
Laguna Service	1991	LSC (72.9%)	Provides essential services such as laundry, water supply, inter-resort transport, landscaping, common area maintenance, marquee facilities, staff transportation, destination marketing, and other centralised services for Laguna Phuket hotels and ancillary operations.
Canal Village	1994	LRH (100%)	A boutique shopping centre centrally located on 10 Rai of land within Laguna Phuket.
Banyan Tree Gallery and Angsana Gallery	1996	BTG (T) (51%), BTG (S) (51%),	A chain of retail outlets specialising in indigenous handicrafts and spa products. There are many outlets worldwide operated and managed under these companies, 4 of which are located within Laguna Phuket.
Angsana Wedding Chapel	2005	BGL (100%)	Thailand's first resort wedding chapel offering comprehensive wedding packages and well-positioned to capture the lucrative wedding market.
Laguna Tours	2007	LEL (49%)	Started operations by offering selected third-party tours to Laguna Phuket guests. From mid-2008, Laguna Tours established its own operated tours offering speed boat tours and city tours.

Golf Operations

Laguna Golf - Phuket

Laguna Golf Phuket is an 18-hole, par 71 award-winning golf course, set within the world-renowned Laguna Phuket Resort. The professionally designed golf course provides the perfect golf experience for players of all abilities. The Laguna Golf Phuket offers annual and 5 & 10-year memberships with exclusive membership privileges.

Laguna Golf - Bintan

Laguna Golf Bintan is an 18-hole, par 72 golf course, set within Laguna Bintan. Originally designed by Greg Norman, the course was leased and upgraded by Laguna Golf in 2016-2017. Local golf memberships are available.

Golf operation	Opening year	Company (% held by LRH Group)	Type of business / facilities
Laguna Golf - Phuket	1992	LGL (100%)	A resort-style 18-hole golf course
Laguna Golf - Bintan	2016	AVCI (100%)	A resort-style 18-hole golf course

COMPANY PROFILE

Property Development Operations

Property Sales

Property Sales offers a comprehensive range of hotel managed and private residential properties offering apartments, condominiums, semi-detached and detached homes at all price points for both investment and lifestyle purposes. Hotel residences are typically managed as part of the hotel inventory and owners receive a return on investment from the rental of their properties to hotel guests. Private residences are used either as primary homes or vacation homes and a range of property management services are offered to owners including rentals and maintenance by our after-sales service team. The current developments available for sale are the following.

Project	Location	Type	Price (Million Baht)
Angsana Beachfront Residences	Phuket	Apartment	37-46
Angsana Ocean View Residences	Phuket	Apartment	29-37
Banyan Tree Bangkok	Bangkok	Apartment	21-24
Banyan Tree Phuket	Phuket	Grande Residences Double Pool Villa 3-Bed Pool Villa	86-123 63-65 50
Cassia Phuket	Phuket	Serviced Apartment Residential Condominiums	5-11 8-11
Dhawa Phuket	Phuket	Serviced Apartment	5-9
Laguna Park 2	Phuket	Detached Homes Semi-detached Townhome	21-22 16-17
Laguna Village	Phuket	Residence Apartments	36-42 11-29
Skypark	Phuket	Residential Condominiums	3-11

The Group owns significant land both within and adjacent to Laguna Phuket upon which it plans to construct future property developments.

After Sales Property Management Services

A vital differentiation from other property developers, Laguna has a dedicated, multi-lingual after-sales services team to provide various property management and estate services to owners who buy properties within Laguna Phuket. The services comprise rentals (i.e. holiday and long-term rentals) and property maintenance (i.e. pool cleaning, handyman services, landscape maintenance, engineering services, and common area management) for non-hotel managed properties. The objective of the after-sales service team is to further enhance the ease of property ownership in Laguna Phuket by providing a one-stop-shop which is unmatched by any other development in Phuket.

Holiday Club Business

In January 2016, Angsana Vacation Club (ANVC) was launched. ANVC is a 25-year point-based membership club that allows its members the use of predominantly Angsana properties and some selected participating Banyan Tree properties. To safeguard the rights and interests of its members, ANVC is incorporated and owned by an independent trustee. The Company is engaged in the sales and marketing of ANVC only.

Upon launch of ANVC, the legacy Laguna Holiday Club business ceased selling new memberships. Existing members of Laguna Holiday Club continue to enjoy all club home resorts and privileges they are entitled to under their membership. In 2017, Laguna Holiday Club was renamed Angsana Vacation Club Heritage and members were offered trade-in programs to upgrade to the more flexible points-based membership.

Office Rental

Strategically located on South Sathorn Road, Thai Wah Tower I is a 24-storey granite-clad building and is one of the very first office condominium buildings in Bangkok. The entire building has approximately 20,000 sq.m. of usable area of which 15,389 sq.m. is owned by the Group. Through the years the building has maintained its reputation as a premium office building with timely refurbishments.

In 2013, the lobby of the building underwent a renovation to improve its competitiveness against newer office buildings that have opened in the vicinity in recent years.

Overseas Investment in Hotels and Resorts

The Group also has an investment in the Banyan Tree Indochina Hospitality Fund which has developed an integrated resort in Laguna Langco in Vietnam.

Additionally, the Group has other investments overseas through Tropical Resorts Limited (TRL) and Bibace Investments Ltd (BI) which invest in luxury resorts largely throughout the Pacific Rim area.

Developments in 2020

It goes without saying that 2020 is not a year of normal operation. While the first two months of the year were relatively stable, the other ten months were largely affected by COVID-19 and the subsequent drying up of international travel. As such, cash conservation became the key focal point for 2020, with all hotels reducing the costs of payroll via the retrenchment of staff, the unpaid leave scheme, and the flexi-salary scheme. Other expenses were strictly controlled and payments were approved at the highest level. Many fixed contracts for services were put on hold and payment plans were negotiated. All capital expenditure was put on hold, and only projects which affected asset preservation, life & safety, and regulatory requirements were approved.

Banyan Tree Bangkok continued to leverage its reputation for being one of the best food & beverage establishments in Bangkok and has been served well by the Saffron Cruise, which was booked out for all of November & December, and Vertigo & Vertigo Too are ever popular. As with Phuket, below, Banyan Tree Bangkok successfully attracted some local markets to utilise their accommodation as well.

COMPANY PROFILE

A bright spot in the Phuket market has been the increase in domestic travellers to Phuket. Aggressive marketing campaigns in Thailand have brought local travellers to Phuket, whereby in the past Phuket has not been an attractive option for them. Our Phuket hotels all successfully attracted these travellers via a varying mix of campaigns and promotions. Going forward we will aim to keep the local market, reducing our reliance on overseas tour series business.

The Laguna hotels all banded together and promoted the different events and accommodation options in all of our hotels, to gain as much revenue as possible. This meant in some instances, one hotel would hold an event that welcomed guests from all hotels, instead of all hotels holding their own events. This resulted in a good rationalisation of costs and synergies across the group.

In the early part of the year, Banyan Tree Phuket completed its lobby renovation to bring it back up to the standard of a flagship Banyan Tree Hotel.

Angsana Laguna Phuket was able to leverage on ACES convention centre during the latter part of the year, with both Governmental events and private events being held there. The size of the convention centre is such that social distancing rules can be adhered to while still conducting a large conference full of people. Angsana Beachfront was handed over in December meaning there will be an additional 11 rooms added to the inventory and an additional rental pool going into 2021.

Due to the COVID-19 pandemic that had a significant impact on the business, there were no new property projects launched in 2020.

The Group continued to expand its offsite sales development network in China, Russia, and India to increase the number of sources of potential property buyers from channel partners along with more regular online events to promote our product offerings.

Future Plans

The Group is confident that in the medium to long term there are opportunities to further profitability and expand existing facilities, particularly in light of the ongoing high demand for Phuket and Bangkok in terms of both hotel and residential accommodation. Going forward the Group will focus on residential property development as its impetus of growth, including sales channel development and online / digital marketing activities in China, India, and other key markets to diversify our base and increase awareness to expand our reach to potential buyers with the objective to build up a strong pipeline of property sales to ensure the Group maintains a high level of annual sales for sustainable revenue growth.

Hotels

It is also the Group's policy to have the hotels maintain their reputation as being luxury hotels with timely and periodic renovations and refurbishments of hotel rooms and public areas.

In terms of Marketing, we hope to rebound from the effects of COVID-19, by taking a Data Driven approach to evaluate Market demand. As Thailand recovers, Laguna Resorts will be looking at their feeder markets, booking patterns, and changes in traveler's expectations. From increased domestic leisure travel and demand for longer duration of stays to shorter booking windows driving occupancy.

Property Sales

While we anticipate 2021 to be a year of volatility, in light of the global market uncertainty around the COVID-19 situation, the Group is continuing with the strategy to unlock value from its land bank by developing new property sales projects which cater to both primary and vacation home buyers. In 2021, we are planning new launches for the entry-level, mid-range, and luxury

segments when the situation is more stable. As a result of the market dynamics, the strategy to offer affordable properties (sub-Baht 10 million) particularly catering to the emerging Asian middle-class with Cassia Phuket, Dhawa Phuket, and Skypark Phuket along with mid-range properties (Baht 10-20 million) such as Laguna Park (townhomes and detached homes) to keep pricing points attractive. These entry-level and mid-range products account for a significant proportion of sales.

Holiday Club Business

“Angsana Vacation Club” still looks promising with its product offering being highly competitive and unlike the previous club, it is a points-based membership with the inventory owned by an independent trustee, providing members access to numerous properties within the Banyan Tree Group managed hotels and resorts. Many guests were unable to use their points in 2020. The Company is engaged in the sales and marketing of ANVC only.

Golf Business

The recently upgraded golf courses of both Phuket and Bintan offer players of all abilities a unique and challenging experience. The group will continue to strive for the most exquisite golf experience for its golfers.

COMPANY PROFILE

2020 Awards

Angsana Laguna Phuket was awarded:

- Gold Certification
EarthCheck
- 2020 Travelers' Choice Awards
Trip Advisor
- Certificate of Excellence 2020
Trip Advisor
- Bodega & Grill - 2020 Travelers' Choice Awards
Trip Advisor
- Thailand MICE Venue Standard (TMVS) Certification
Thailand Convention and Exhibition Bureau (TCEB)
- ASEAN MICE Venue Standard (AMVS) Certification
Thailand Convention and Exhibition Bureau (TCEB)
- Excellent Establishment on Labour Relations
and Welfare 2020
Ministry of Labour

Angsana Villas Resort Phuket was awarded:

- Gold Certification
EarthCheck
- 2020 Travelers' Choice Awards
Trip Advisor

Banyan Tree Phuket was awarded:

- Best Hotels in Thailand (Ranked 8th)
DestinAsian Readers' Choice Awards 2020
- Thailand's Best Golf Hotel 2020
World Golf Awards

Banyan Tree Bangkok was awarded:

- 2020 Forbes Travel Guide Recommended Award
The Forbes Travel Guides
- Thailand Best Employer Brand Awards 2020
CHRO Asia
- Thailand Best General Manager Awards 2020
CMO Asia
- 2020 Travelers' Choice Awards
Trip Advisor
- Loved By Guests Award Winner 2020
Hotels.com
- Vertigo - Thailand's Best Restaurant 2020
Thailand Tatler
- Vertigo - Wongnai Users' Choice 2020
Wongnai
- Vertigo - Best Bar & Rooftop Bar, HELLO! Taste Awards 2020
Hello Magazine
- Saffron Cruise - Best Cruise, HELLO! Taste Awards 2020
Hello Magazine

Cassia Phuket was awarded:

- Best Apartment Hotel on a Global Level
Haute Grandeur Global Awards 2020
- Best Activity Hotel in Thailand
Haute Grandeur Global Awards 2020
- Best Family Hotel in Thailand
Haute Grandeur Global Awards 2020
- Best Luxury Apartments in Thailand
Haute Grandeur Global Awards 2020

Laguna Holiday Club Phuket Resort was awarded:

- Gold Certification
EarthCheck
- Certificate of Excellence 2020
Trip Advisor

Laguna Resorts & Hotels Public Company Limited was awarded:

- Laguna Phuket Triathlon was named The World's Greatest Tri Swims (Top 8) 220 Triathlon Magazine (UK)
- AMCHAM 2020 CSR Excellence Award and The Thai Development Award (Top Eight Finalist) The American Chamber of Commerce in Thailand
- Certificate of Merit - Sustainable Business Awards Thailand Sustainability is embedded in the vision statement and core values and is reflected in all aspects of the operations. Global Initiatives
- Best Social Contributions Organization (Phuket Province) Phuket Province Social Development and Human Security Office
- Gold Certification EarthCheck

Laguna Phuket Kindergarten was awarded:

- Excellence Organization in Phuket Province on Road Safety Prevention Measures Road Safety Foundation

Laguna Property was awarded:

- Angsana Oceanview Residences - Best Apartment / Condominium for Thailand 2020-2021 Asia Pacific Property Awards
- www.banyantreeresidences.com - Developer Website for Thailand 2020-2021 Asia Pacific Property Awards
- Laguna Park 2 Phuket - Residential Development for Thailand 2020-2021 Asia Pacific Property Awards
- Skypark Phuket - Apartment / Condominium for Thailand 2020-2021 Asia Pacific Property Awards
- Skypark Phuket - Best Development Marketing for Thailand 2020-2021 Asia Pacific Property Awards
- Skypark Phuket - Residential Interior Show Home for Thailand 2020-2021 Asia Pacific Property Awards

INCOME STRUCTURE AND FINANCIAL ANALYSIS

Income Structure

The percentage of income generated by each line of business is detailed as follows:

(Unit: Thousand Baht)

	2020	%	2019	%	2018	%
Revenue from Hotels	1,206,727	43	3,356,259	55	3,572,747	66
Revenue from Property Development	1,572,727	55	2,568,163	42	1,705,618	31
Revenue from Office Rental	35,836	1	91,183	1	98,667	2
Other Income	19,028	1	104,022	2	70,036	1
Total Revenue	2,834,318	100	6,119,627	100	5,447,068	100

The most significant businesses of the Group are hotels and property development operations for which further details are provided below. Note 42 to the financial statements of the Company for the year ended 31 December 2020 and 2019 discloses the operating results by business segment following accounting standards and principles.

Hotel Operations – Overall	2020	2019	2018
Occupancy (%)			
Angsana Laguna Phuket	20	66	71
Banyan Tree Phuket	20	62	65
Banyan Tree Bangkok	23	78	80
Cassia Phuket	32	67	61
Average - LRH Hotels	24	69	70
Average Room Rate (Baht)			
Angsana Laguna Phuket	3,909	4,126	4,468
Banyan Tree Phuket	13,496	13,203	14,754
Banyan Tree Bangkok	3,749	4,740	4,819
Cassia Phuket	2,007	2,013	1,998
Average - LRH Hotels	4,634	5,038	5,519
Total Revenue (Thousand Baht)			
Angsana Laguna Phuket	194,367	685,520	764,597
Banyan Tree Phuket	307,198	843,781	932,531
Banyan Tree Bangkok	300,743	1,005,499	1,078,230
Cassia Phuket	99,886	154,216	124,310
Total LRH Hotels	902,195	2,689,017	2,899,668
Gallery Operations	107,751	191,111	189,279
Other Hotel-Related Operations	196,782	476,131	483,800
Total Revenue of Hotel Operations	1,206,728	3,356,259	3,572,747

Hotel Operations – Overall

The total combined hotel revenue in 2020 decreased 64% from 2019. The sharp decline, which could have been worse if not for the Company's aggressive and innovative marketing under the dire circumstances, was no doubt due to the impact of the Covid-19 pandemic. In April 2020, all hotels in Phuket were ordered to close by the Phuket Governor's office to prevent the spread

INCOME STRUCTURE AND FINANCIAL ANALYSIS

of Covid-19. The Company's hotels in Phuket subsequently reopened from September 2020 but only to the Thai domestic market as Thailand's international borders were closed which is still the case at the time of writing this report. Additionally, Thailand was hit by a second wave of the pandemic in December 2020 - January 2021 which further impacted the business during the most lucrative months of the year.

Property Development Operations

(Unit: Thousand Baht)

	2020	%	2019	%	2018 (Restated)	%
Revenue:						
Property Sales business*	1,498,357	95	2,465,257	96	1,557,542	91
Holiday Club business	74,370	5	102,906	4	148,076	9
Total Revenue - Property Development Operations	1,572,727	100	2,568,163	100	1,705,618	100

* Including other income

Property Sales business

A total of 48 units amounting to Baht 1,488 million in revenue (excluding other income) was recognized in 2020 in accordance with accounting income recognition policies.

Holiday Club Business

In 2020, the Holiday Club's revenue suffered a year-on-year drop of 28%. Due to the lack of visitors from the key source markets as Thailand's international borders were closed, the Company temporarily stopped all membership sales since April 2020 when the Phuket Governor ordered the lockdown of the island to prevent the spread of Covid-19.

Other Income

(Unit: Thousand Baht)

Other Income	2020	2019	2018
Gain on Revaluation of Investment Property	-	86,510	50,618
Rental and Service Fee	9,191	9,476	11,685
Management Fee Income	4,392	4,633	2,553
Others	5,445	3,403	5,180
Total Other Income	19,028	104,022	70,036

The "gain on revaluation of investment property" relates to the office units for lease at Thai Wah Tower I located in Bangkok and the Canal Village retail development located in Laguna Phuket. A revaluation of these two properties are conducted annually by an independent appraiser.

"Rental and Service Fee" is the income generated from the rental of Banyan Tree Management Academy building in Phuket.

INCOME STRUCTURE AND FINANCIAL ANALYSIS

Explanation and Analysis by Management

For the year ended 31st December 2020, Laguna Resorts & Hotels Public Company Limited was adversely impacted by the Covid-19 pandemic and suffered a substantial net loss of Baht 947 million as compared to a Baht 364 million net profit in the year 2019.

Total revenue for the year decreased by Baht 3,285 million as compared to last year due largely to the following:

- The overall revenue from hotel operations which comprise hotel, golf, and retail operations declined by Baht 2,150 million. Like almost all businesses in the hospitality industry in Thailand, the Covid-19 pandemic has significantly impacted the Group's businesses, especially the hotel business. The Group's hotels had to cease operations from April to May 2020 to comply with the government's measures to stop the spread of COVID-19. To reduce the Group's overhead costs, the Group's hotels continued to remain closed from June to August 2020 due to the lack of tourists and reopened in September 2020 after the Thai Government launched the subsidized travel scheme to stimulate domestic travel in Thailand.
- Revenue from property development operations which comprise property sales and the sale of holiday club memberships decreased by Baht 995 million. The difference is largely attributed to the lower in revenue recognition of property sales projects namely Cassia which was lower when compared to last year offset by an increase in revenue recognition of the Angsana Beach Front project this year. At the time of this report, there is a total of Baht 2,473 million in property sales revenue which will be recognized in the future barring any cancellations.
- Revenue from office rental operations which includes retail leasing contracted decreased by Baht 55 million due largely to the lower occupancy of Thai Wah Tower office.
- Other income decreased by Baht 85 million due mainly to the gain on revaluation of investment properties amounting to Baht 87 million in the previous year.

Total expenses reduced by Baht 1,993 million as compared to last year which is generally attributed to the following:

- The cost of hotel operations decreased by Baht 911 million due to the lower hotel revenue and the cost-saving measures put in place after the start of Covid-19.
- The cost of property development operations decreased by Baht 623 million as lower property sales were recognized during the year.
- The cost of office rental operations decreased by Baht 18 million. This is largely attributed to lower property tax and electricity expenses in the current period.
- Selling expenses were Baht 248 million lower due to the reduction of sale and marketing expenses of the hotels, Laguna golf and office rental operations.
- Administrative expenses declined by Baht 192 million as property tax, management fees, and rental expenses were lower.

Share of profit from investment in associates decreased by Baht 2 million which largely relates to lower profit from Thai Wah Public Company Limited.

Finance cost increased by Baht 103 million as compared to last year due to a higher loan balance in the current period and lower capitalized interests of property sales projects as the construction of some projects was halted due to the Covid-19 pandemic.

Income tax expenses decreased Baht 57 million as compared to the prior year as there were no deferred tax assets set up during this year.

Loss attributable to the non-controlling interests of the subsidiaries increased by Baht 15 which is primarily caused by loss of Laguna Service and gallery operation.

For the reasons stated above, the company's loss is higher as compared to the prior year.

Sales and Marketing

Hotels

All of the Group's hotels and business units prepare an annual Sales and Marketing Plan to support and guide how they plan to achieve the budgeted revenues. For the hotels, the plans include statistics showing comparisons to the prior year, market segmentation analysis, pricing strategy, promotion, and PR plans, etc.

The 2020 markets and geographical segmentation in terms of room revenue are set out in the table below:

	Laguna Phuket hotels	Banyan Tree Bangkok
Targeted Markets / Type of Customers	The Wholesale market and leisure markets account for 80 percent of room revenue especially during the high season months while MICE business, Group Tour Series, and Wedding group contribute to the rest.	The Wholesale market and leisure markets account for 82 percent of total revenue, while business travellers and corporate meeting groups represent the rest.
Geographical Segmentation	<p>Asia 84 percent, targeting the local Thai market at 50 percent, followed by People's Republic of China, South Korea, Hong Kong, and Singapore.</p> <p>Europe 14 percent, mainly from Russia, United Kingdom, Germany, France, Switzerland.</p> <p>Laguna hotels have budgeted only the local market for the first quarter of 2021, with a gradual reopening of Asian countries into Q2 and Q3, and long-haul international business in Q4.</p>	<p>Asia 80 percent, targeting the local Thai market at 35 percent, followed by People's Republic of China, South Korea, Japan, Taiwan, and Singapore.</p> <p>Europe 11 percent, mainly from the United Kingdom and Germany; and 5 percent from North America and 3 percent from Australia.</p> <p>Banyan Tree Bangkok has budgeted only the local market for the first quarter of 2021, with a gradual reopening of Asian countries into Q2 and Q3, and long-haul international business in Q4.</p>

The lack of business and focus on Domestic markets have put downward pressure on room rates across all of the hotels. Banyan Tree Bangkok reduced their rate by 12% in 2020, while Phuket hotels reduced between 35%-50% in order to stay attractive in the market, due to the increased battle for the Domestic market in Phuket. Until international flights are allowed into Phuket and international tourism resumes, rates will remain lower than in previous years. 2021 will be an occupancy game, with ADR recovery coming in 2022 and beyond

Property Sales

The number of property units sold in 2020 was significantly behind the prior year due to the Covid-19 pandemic crisis which has softened demand along with political turmoil caused by a series of anti-government rallies in Bangkok. The Group seeks to continually improve property sales performance going forward. Areas of focus will include:

- Selling the already completed property sales inventory.
- Penetration into local Thai market and newly emerging regional markets such as the People's Republic of China and Republic of India, while maintaining strong sales to existing markets such as Russia.
- Increased online sales activities
- Increased offline sales activities (sales channel partners and regular events and roadshows) in countries with relaxed travel restrictions
- Having collaterals in several different languages and increased online / digital marketing.
- Offering a comprehensive range of properties to suit all budgets and maintaining competitively priced products for both investment and/or lifestyle buyer segments.
- Introducing innovative promotions and incentives such as long-term payment plans, low interest, free hotel stay, retirement, and long-stay visa for foreign buyers.
- Continuing to improve our excellent after-sales services.

The Group will stay very close to the market to ensure that the Group continues its leadership position.

The Phuket Situation

Market Situation

- Total tourist arrivals for Thailand were much reduced compared to 2019 with international travel confined to Q1 only, the majority of guests coming in January & February. January already began to show a reduction in the arrivals of Chinese guests due to the Chinese Government recommending that their citizens do not travel. This negatively affected Lunar New Year which fell in late January, our China arrivals being about 15% weaker than in 2019. Arrivals to Thailand dropped from 39.9M to 6.7M in 2020, a drop of 83%.
- The Phuket market fared slightly better than overall Thailand due to quarter one dropping by less than the overall Thailand market. In 2020 year-on-year passenger arrivals declined by 63%.
- Tourism in Phuket is usually dominated by Chinese and Russian holidaymakers. As explained earlier, this has not been the case for the majority of 2020. January, February, and a small amount of March followed this trend, but since then the hotels have been fully reliant on local business, when open.
- The property sales market continued to be driven by affordable, investment-oriented products that offer rental management programs and/or guaranteed returns. Key source markets were from China, Russia, Singapore, and Hong Kong.

ECONOMIC TRENDS

Competition

Hotels

Top Tier Properties - Phuket	Luxury Villa Properties - Phuket	Top Tier Properties - Bangkok
<ul style="list-style-type: none">• Dusit Thani Laguna Phuket• Outrigger Laguna Phuket Beach Resort• Le Meridien Phuket Beach Resort• JW Marriott Resort & Spa• Hyatt Regency Phuket Resort• Pullman Phuket Arcadia Naithon Beach	<ul style="list-style-type: none">• The Amanpuri• Trisara• Six Senses• Anantara	<ul style="list-style-type: none">• The Sukhothai Hotel• Conrad Bangkok• Le Meridien Bangkok• Dusit Thani Bangkok• Sofitel So Bangkok

Phuket: The competitive sets of Laguna Phuket are upper-tier hotels and luxury villas. Hotels in Phuket continue to face competition from rental properties which offer competitive rates for longer stay visitors, as well as competition from other resort destinations within the region.

Bangkok: The number of newly built hotels in recent years has led to an oversupply in downtown Bangkok. Moreover, the increased supply of new hotels and serviced apartments in Bangkok has resulted in a highly competitive market.

Property

The majority of Laguna Phuket's direct competitors are located along the north-west coast where much of the newer, upper-end properties are located. The less-developed east-coast does not have the same quality of infrastructure and lacks good quality beaches. Further, due to the high price of land, there has been an increased number of higher density and more affordable condominium/apartment developments in recent years.

Laguna Phuket has a combination of its brand, location, quality, and range of products to set it apart from its competitors. There are many developers targeting buyers in the sub-Baht 10 million segments, including large Bangkok-based developers such as Sansiri, Supalai, and Land & House. However, they are primarily targeting the domestic market and do not compete directly with resort-based products such as ours. Other developments targeting secondary home buyers currently are not as well located or have a strong brand identity.

Although branded developments have continued to enter the market, Laguna Phuket has a lot to offer our property buyers which cannot be matched by other competing projects. These include a long history of developing quality homes in a safe, secure, and beautifully landscaped environment supported by a team of well-trained after-sales staff offering a myriad of home services. Laguna Phuket also offers our homeowners a wide variety of dining and recreational facilities including an 18-hole golf course right at their doorstep.

Pricing Strategy

The hotels in Phuket and Bangkok are operating in a competitive environment and the Group will need to maintain vigilance and be flexible on its room rates to adapt to market changes to maximize yield and RevPAR (revenue per available room).

ECONOMIC TRENDS

In the property sector, competitive pricing will be required to maintain strong rates of sales. The Group will also continue with the strategy to offer affordable properties (sub-Baht 10 million) such as Skypark with units priced from Baht 3 million upwards. Following the success of Laguna Park 1, Laguna Park 2 (mid-range residential property) is offered. These townhomes and villas are typically smaller than previous Laguna Village Residences projects in order to keep price points attractive.

Three Year Outlook

The imminent Business outlook lacks visibility given the Covid-19 pandemic crisis which has slowed down the world economy and has seen second and third waves of infections in many countries, including Thailand. The Hospitality sector has seen large-scale cancellations and a slow-down in booking pace compared to last year as has been explained in earlier sections. We will continue to exercise the stringent cost-saving practices throughout the organization, implemented in 2020, and will place our focus both on the domestic market in Thailand and those markets which we believe will open up earliest while continuing to keep our good relationships with our long-haul market partners to ensure we can react quickly as and when a market opens to us. At this juncture depending on how 2021 levels out will determine our next 3 years. We are positive when the rebound takes place, we will be best placed with our efficient and lean hotel operations to bring in business in a highly profitable manner.

Phuket's major ongoing development plans include expansion of the Phuket International Airport, improvement of road and transport networks, and other infrastructure improvements. With the ASEAN Economic Community integration now imminent, this is expected to drive demand for both tourism and real estate investment.

In 2020, two new luxury hotels opened in Bangkok, providing an additional 687 rooms. New openings were Carlton Hotel Bangkok (338 rooms) in early Sukhumvit and Kimpton Maa-Lai Bangkok (349 rooms) in Lumpini, both located in the CBD district. Other hotel openings totaling 1,005 rooms in the upscale and midscale segment were Staybridge Suites Bangkok Thonglor (303 rooms), Solaria Nishitetsu Hotel Bangkok (263 rooms), Oakwood Suites Bangkok (228 rooms), Villa De Pranakorn (47 rooms), The Quarter at Phrom Phong (120 rooms) and Ashley Hotel (44 rooms).

The COVID-19 pandemic has prompted hotel operators to delay new openings. Five hotels totaling 1,575 rooms had planned to open in 2020, however, some will likely delay their openings. These hotels include Sindhorn Midtown Hotel (475 rooms), Sindhorn Kempinski Hotel (285 rooms), Orient Express King Power Mahanakhon (154 rooms), Four Seasons hotel (301 rooms), The Capella Bangkok (101 rooms), and Steigenberger Hotel Riverside (259 rooms). The huge amount of new hotel supply will put further pressure on Bangkok's hotel market.

Before the COVID-19 pandemic, the property market has performed stronger in recent years in the entry and mid-price segments, on the back of increased tourism and improved infrastructure (airport expansion, road networks, etc) and relative affordability compared to other countries. The COVID-19 situation has caused uncertainties to the business performance of the Group since the beginning of 2020. At this stage, the COVID-19 pandemic has resulted in unprecedented global travel advisories and airline cancellations. Most of the group's hotels have seen substantial room cancellations as a result of global travel restrictions and lockdowns. This has significantly negatively impacted the property development business in Thailand.

In the term of the outlook for the coming year, it is impossible to predict when the negative effect of the coronavirus will come to an end. Combined with this uncertainty are potential headwinds with the increased global market and geopolitical risks such as U.S.-China trade tensions, stock market volatility, higher interest rates, etc which if exacerbated could weaken investor confidence and softened demand for our properties. However, given the enduring appeal of Phuket and Bangkok, their value proposition, and their standing among global resort markets, it is expected that any downturn will be limited. Historically, political disturbances in Thailand have deferred demand for hospitality and property in Phuket and Bangkok, but have not cancelled it. As such, the Company is still confident about the long-term prospects.

SUSTAINABILITY REPORT



Overview of CSR Programmes

Corporate Social Responsibility (CSR) is a major undertaking at Laguna Phuket. The Company focuses on implementing socially responsible business practices that touch all stakeholders in the quest to deliver environmental and social benefits alongside increasing economic performance.

Since the establishment of Laguna Phuket in 1987 - which began with the rehabilitation of Bangtao Bay which was once a tin mine and declared by the United Nations Development Program as “too environmentally damaged to have any development potential,” - the Company has continued to safeguard the natural environment, cultural heritage, and promote shared prosperity.

The company aims to support associates with fair employment and comprehensive benefits, it has also maintained a commitment to helping local communities through community relations and CSR efforts.

The Company's Community Relations & CSR programs are divided into the following focus areas:

1. Cultural Diversity
2. Social Equity
3. Educational Empowerment
4. Health & Sports Promotion
5. Environmental Preservation

Operation and Report Preparation

The report on CSR initiatives is included in CSR Section. This section highlights Laguna Phuket CSR, its recent history, long-term objectives, current annual activities, and it provides a synopsis of the CSR initiatives implemented during the year under report.

Laguna Phuket was established 33 years ago and over this history, we are proud to have many facets of CSR programs and activities that make this time span a memorable milestone. This report section mentions mainly the recent annual events, however, the short look at our past and beginnings is a taste of how far we have come.

What we hope, perhaps only after reviewing all past annual reports, is that people learning about Laguna Phuket CSR efforts will get an indelible mental picture showing how our corporate responsibility truly has centered around these five aspects and also has achieved lasting benefits. A key to this is that not only CSR team members, but more generally all Laguna Phuket associates are actively engaged in community and environmental responsibility and taking care of stakeholders.

Another key is that we have an enlightened view of what sustainability means, and this involves thinking not only in present mindful terms but also imagining a future of even greater sustainable practices. Encouraging the forward-looking dreamers is every bit as important as supporting the present doers. Being mindful of the needs of today as well as planning for a brighter future are built-in to our goals and partnership strategies. Thus, apart from specific events, CSR also tries to encourage all Laguna Phuket associates to have a mindset that sees all work as partly directed towards a journey of sustainable development, in both business practices and our personal lives.

We can show Laguna Phuket has been successful in such efforts. Sometimes the successes can be measured, such as through our many awards, recognitions, press coverage and other objective outcomes mentioned in this report. Then there are less visible efforts such as the volunteering we encourage from both our associates and our guests who are given opportunities to give the gift of their time to help out in various local community support efforts, including lending their expertise at Laguna Phuket Kindergarten.

Impact of Business Operations on CSR

The Company emphasizes and aims to be a socially responsible company and has established a dedicated team of CSR and Community Relations practitioners who strive to make a positive difference to the local communities where the Company operates.

There is no report of any claims about the impact of the Company's business operations on CSR.

CSR Initiatives and Projects

1. Cultural Diversity

Our Cultural Diversity initiatives help to promote and preserve ancient traditions of various origins in local communities. In doing so, Laguna Phuket contributes to uplifting the spiritual well-being of associates, their families, and local community members, to ensure a balance between the influx of western influences brought by tourism and preservation of the local way of life. A brief report of CSR activities in 2020 supporting cultural preservation includes the Buddhist Lent, Sart Duen Sib, the Vegetarian Festival and Loy Krathong.

Buddhist Lent

The annual Laguna Phuket Buddhist Lent activity was held on 3 July 2020 at Chergtalay Temple and attended by 20 Laguna Phuket associates and community members. Apart from the corporate donation of lent candles, this year Laguna Phuket has raised Baht 8,000 for the temple. Laguna Phuket has annually celebrated Buddhist Lent for over 25 years.

Sart Duen Sib (Ghost Festival)

The Ghost Festival (Baan Don Sart Duen Sib) is a southern traditional festival for Buddhists to make merit in remembrance of loved ones who passed away, and our local heroes who sacrificed their lives to protect, enrich and improve our community. 3 Laguna Phuket associates participated and served 200 traditional Thai snacks in this event at Baan Don temple on 10 September 2020.

Vegetarian Festival

The Phuket Vegetarian Festival is an annual event celebrating the Chinese community's belief that abstinence from meat and various stimulants during the ninth lunar month of the Chinese calendar will help them obtain good health and peace of mind. This year's festival falls on 17 - 25 October 2020. During these 9 days, local residents of Chinese ancestry strictly observe a vegetarian or vegan diet for spiritual cleansing and merit-making. Laguna Phuket donated Baht 40,000 worth of food and supplies this year to our local shrines and set up an offering shelter on 22 October 2020 to worship Ma-Song devotees through whom the gods are said to enter during the annual Phuket Vegetarian Festival.

Loy Krathong

Loy Krathong Festival brings people together on the full moon night of the 12th Thai lunar calendar to pay respect to the water goddess, Pra Mae Khongkha and the water spirits. This year's event was held on 31 October 2020 with lots of meaningful cultural appreciation activities - Rak Thai Kids Cultural Appreciation Contest, Krathong demonstration, traditional performances, community F&B stalls, and live music. Nearly 5,000 guests, associates and residents participated in releasing Krathong and expressing their gratitude towards the plentiful use of water.

2. Social Equity

Our social equity initiatives aim to build the capacities of local communities and associates through socially beneficial projects whereby community members and associates can benefit from our support for their personal betterment as well as professional advancement.

Seedlings - Social Enterprise Restaurant

Seedlings is the first restaurant launched by Laguna Lang Co under Banyan Tree's group-wide mentorship program with the aim to provide training and job opportunities for disadvantaged and marginalized local young adults, giving them the necessary life skills to forge successful careers in hospitality. Seedlings serves as a launching platform for local youth development in collaboration with Prince of Songkla University, Phuket campus, providing invaluable vocational skills and experience.

To-date, 46 interns have graduated from the program since 2014 and 31 of them were offered a career opportunity with Laguna Phuket.

This year, the Company received a certificate of appreciation from the Ministry of Social Development and Human Security regarding our excellent performances on social support and sustainability from the Seedlings Program.

As a result of the Coronavirus Pandemic, the Seedlings program was temporarily suspended in April 2020.

Laguna Phuket Associate Saving Co-Operative

Laguna Phuket Social Committee successfully established the Laguna Phuket Associate Saving Co-Operative in January 2010 with the objective of providing secure, reliable, profitable, and fair financial services to members. As "shareholders," members are entitled to such benefits as annual dividends, low interest loans, and high interest savings schemes. To-date, the cooperative holds Baht 49 million share volume with 576 associate members.

Laguna Phuket Children's Day

Laguna Phuket organized the 28th Children's Day event on 11 January 2020 which was attended by more than 3,500 people from the local communities and guests of Laguna Phuket. Highlights of the event were: stage performances, magic show, merry-go-round, game booths and goodies. Our children's day activities aim to encourage and inspire children to become active, informed and concerned citizens of the next generation, and to help them recognize the importance of their role in society.

Children First Fund (CFF)

Children First Fund (CFF) is established as part of the celebrations commemorating the 30th anniversary of Laguna Phuket. The key objective of CFF is to constantly provide sustenance to more than 400 orphans and underprivileged children from 7 orphanages from Phuket and neighboring provinces.

CFF's motto is "Nourishing Hearts, Inspiring Dreams" because nurturing the hearts and minds of orphans in our community should also go hand-in-hand with providing material sustenance for their growing and developing brains.

In 2020, more than Baht 586,390 was spent for sustenance.

Feeding Community

Laguna Phuket is always providing free meals to the local communities and in 2020 more than 900 meals worth Baht 26,000 were served in 5 events.



3. Educational Empowerment

Educational empowerment initiatives aim to build the capacities of local communities and associates through our programs that empower people of all ages in order to help people pursue a life-long learning journey, and realize their potential.

At Laguna Phuket, we seek to fulfill our stakeholders' needs in order to match guidance and knowledge to their own interests and sources of inspiration. We believe that there is no greater empowerment than the will and feverish desire to learn something new every day.

Laguna Phuket Kindergarten

Originally established in 1992 as a Child Care Centre. The center is widely acknowledged as one of the best in Thailand and at the end of 2008 was formally established as Laguna Phuket Kindergarten, to provide free education to the children of our associates and community members, under the guidance of the Ministry of Education. Today, the greatly-expanded program caters to 156 children aged between three to six, with 12 certified teachers creating fun and educational daily activities. To-date, 1,663 students have enrolled at Laguna Phuket Kindergarten.

Laguna Phuket Community Learning Centre (CLC)

Laguna Phuket Community Learning Center (CLC) was established in March 2007 from Phuket Tsunami Recovery Funds (PTRF) to develop long-term assistance for those affected by the 2004 Tsunami, it was originally set up as a community English language center providing free English courses to community members, with the generous support of Cherngtalay Sub-District Administrative Office.

On 22 December 2014, the newly refurbished center was relaunched as the Community Learning Centre in recognition of the 10th Tsunami commemoration and has become a community hub where people can develop their general life skills, and further their knowledge in Chinese and English. In 2020, 28 people enrolled for language courses and 17 people took part in the life skills training such as the towel folding course conducted by our associates with the respective expertise who volunteered to be trainers. To-date, 8,733 learners have participated in our programs.

Fully Booked! Mobile Learning Centre (MLC)

Fully Booked! Mobile Learning Center project aims to re-introduce reading, the basis of self-empowerment to children in the local community who lack adequate access to books on a diverse range of topics. The Mobile Learning Center was launched in April 2014 with the objective to provide a 2-in-1 service as a library and a classroom to increase the rate and quality of literacy among pilot schools in Phuket and neighboring provinces.

Our program start-up was funded by Baht 2.2 million fundraised from Laguna Phuket sports events and another Baht 2.2 million matching funds from Banyan Tree Global Foundation. MLC helps teachers creating learning courses including English day camp and local learning centre day trip benefiting over 178 students and 8 teachers in Phuket and Pang-Nga in 2020.

4. Health & Sports Promotion

Laguna Phuket is dedicated to helping people achieve a sensible work-life balance. We encourage people to work hard, and we promote play and leisure. We believe that leisure is the most fun when it exercises the mind and body, so our health and sports promotion events focus on meaningful sporting activities, such as Red Cross Blood Donation and Associate Running activity.

Red Cross Blood Donation

Laguna Phuket is one of Thailand's prominent corporate blood donors to the Thai Red Cross Blood Donation Program. Since 2003, we have donated 2,018,700 cc of blood and 4,486 associates have participated in our Blood Drive program.

Community Support during Coronavirus Pandemic

During the Coronavirus Pandemic in April 2020, Laguna Phuket has donated the necessities to our stakeholders worth Baht 312,000 as the following details:

1. Baht 100,000 cash was donated to Vachira Hospital, the field hospital of Phuket.
2. Dried food, sustenance, meal box, and face mask worth Baht 79,000 were donated to local authorities, municipality and Subdistrict Administrative Organization.
3. Dried food, sustenance, drinking water, and face mask worth Baht 62,000 were donated to nearby communities.
4. Hand sanitizer alcohol gel worth Baht 36,000 was donated to 7 orphanages under the Children First Fund program.
5. Angsana Laguna Phuket and Banyan Tree Phuket provided 700 meal boxes in a week worth Baht 35,000 for the medical staff of Vachira Hospital.
6. Set up a sharing pantry at the entrance of Canal Village to help the community members who suffering hardship caused by Coronavirus Pandemic. This program allowed 115 people who are in a better financial position to contribute food items to the pantry and benefiting 775 people who are in need.

5. Environmental Preservation

Our Environmental Conservation initiatives emphasize raising awareness of climate change and human impact on local natural resources. In partnering with local conservation efforts, Laguna Phuket supports various initiatives that ensure sustainable rehabilitation of marine and shoreline resources around Phuket Island and nearby provinces.

EarthCheck

EarthCheck is the environmental certification program that Laguna Phuket is registered with as a precinct. The key objective is to monitor and improve our environmental practices to achieve sustainability outcomes in our business operations by providing a framework for environmental and social sustainability.

Laguna Phuket received EarthCheck's Bronze Status in September 2014, Silver Status in April 2015 and Gold Status in December 2020.

Greening Community Initiative

Since 2007, Laguna Phuket has worked in collaboration with Phuket Mangrove Station. To-date over 32,500 saplings were planted in the southern provinces of Thailand. 1,490 associates have participated in this project and 690 community members have joined us.

Sea Turtle Conservation

Laguna Phuket has supported sea turtle conservation programs in Phuket province since 1994. Our efforts focus on raising funds and awareness in support of the Phuket Marine Biological Centre (PMBC) and the 3rd Area Naval Command, Royal Thai Navy, and their ongoing conservation and rehabilitation programs.

To-date, 2,145 turtles have been released and 4,700 people have participated in this program since 1994.

Cleaning Community

Laguna Phuket associates frequently participate in the cleaning community initiative with the local government and community members especially beach clean-ups that was organized 4 times in 2020. More than 900 kilograms of trash were collected by 600 people.



SUSTAINABILITY
REPORT

EVENTS IN 2020

2020 National Children's Day Celebration

The annual National Children's Day Celebration was hosted by Laguna Phuket on 11 January at Laguna Grove with 3,500 participants. The event featured a mini-concert by Tor Saksit Vejsupaporn and kids' performances from local schools and music schools in Phuket. This annual celebration aims to encourage and inspire children to become active, informed and concerned citizens of the next generation, and to help them recognize the importance of their role in society.



Singha Laguna Phuket Open

Singha Laguna Phuket Open 2020 was held at Laguna Golf Phuket during 15-18 October. In its fourth edition, the annual tournament by All Thailand Golf Tour (ATGT), the final two rounds on Saturday 17 and Sunday 18 were live on Social Media Platform via All Thailand Golf Tour YouTube Channel, All Thailand Golf Tour Facebook Page and All Thailand Golf Tour Website.

Loy Krathong Festival

Loy Krathong Festival brings people together on the full moon night of the 12th Thai lunar calendar to pay respect to the water goddess, Pra Mae Khonkha and the water spirits. This year's event was held on 31 October at Laguna Grove, Laguna Phuket with lots of meaningful cultural appreciation activities; Rak Thai Cultural Appreciation Kids Contest, Krathong demonstration, traditional performances, community food & beverage stalls, and live music. Nearly 5,000 guests, associates and residents participated in releasing Krathong and expressing their gratitude towards the plentiful use of water.





Laguna Phuket Triathlon 2020

The internationally-acclaimed Laguna Phuket Triathlon took place on Sunday 22 November at the award-winning destination resort Laguna Phuket. Held under enhanced safety and health conditions, more than 650 athletes from across Thailand enjoyed the LPT unique race distance of 1.8km swim, 50km bike and 12km run and sprint distance. This year Southeast Asia's longest-running triathlon featured the inaugural Laguna Phuket Duathlon (LPD) which took place on the same day, giving all athletes the chance to experience the race's signature bike course and a beach run finish and exciting new post-race afternoon party being held at Xana Beach Club.

SuperSports Laguna Phuket Marathon 2020

SuperSports Laguna Phuket Marathon was held on 5-6 December at Laguna Phuket, after the COVID-19 epidemic, which resulted in having to postpone from the original deadline in June. This year event responded to a new way and followed guidelines to prevent the spread of COVID-19 of the center of COVID-19 Situation Administrations (Phuket). More than 8,000 runners from all over Thailand joined the 2-day race including 6 categories. The race started with a sunset run on Saturday 5 December; 2km, 5km and 10.5km followed by half marathon (21.097km), marathon (42.195 km) and marathon relay in the next sunrise on Sunday 6 December.



Tropical Illusion

On 12 December, Banyan Tree Phuket welcomed Thai designers Leisure Projects, Kanapot & Narong for a TROPICAL ILLUSION fashion show in its exclusive Double Pool Villa attended by 200 of Phuket's and Bangkok's fashionistas. The invite-only event saw the designers; their muses and followers checking in to their private pool villas, guests were ushered to a private cinema dining experience - Le Petit Chef – The Silk Route Story by Chef Chayasak Namwong to kick start the weekend. After some well-deserved Banyan Tree Wellbeing activities, guests anticipated the TROPICAL ILLUSION fashion show at Banyan Tree's Double Pool Villa with the perfecting Tropical setting and the blue sky and the warm Phuket sun welcomed fashionistas such as Pancake Khemanit, Rita Sririta, Vicki Sunisa, Bitoe Suteewan, Doomundi to a picture-perfect event.

BOARD OF DIRECTORS

Board of Directors as at 31 December 2020

Highest Educational Background and Director Certificate Program:

- Honorary Doctorate of Business Administration in Hospitality Management, Johnson & Wales University, USA
- Honorary Doctorate of Business Administration, The Hong Kong Polytechnic University, Hong Kong
- Bachelor of Arts (Economics), National University of Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonPing's elder brother and

Mr. Ho Ren Hua and Ms. Ho Ren Yung's father

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Chairman of the Board and Chief Executive Officer, Laguna Resorts & Hotels Public Company Limited
- Chairman of the Board, Thai Wah Public Company Limited
- Director and Executive Chairman, Banyan Tree Holdings Limited

2013-2020

- Non-Executive Director, Audit Committee Member, Nomination Committee Member and Remuneration Committee Member, Diageo plc

2000-2015

- Chief Executive Officer, Thai Wah Food Products Public Company Limited

1997-2015

- Chairman of the Board, Thai Wah Food Products Public Company Limited



Mr. Ho KwonPing⁽¹⁾
Chairman of the Board
(Age 68 Years)
Date of First Appointment
as Director: 4 July 1986

In Non-Listed Companies

Present

- Chairman of the Board / Director, Certain related companies of Banyan Tree Holdings Limited
- Chairman of the Board of Trustees, Singapore Management University
- Chairman of the Board / Director, Tropical Resorts Limited
- Director, Bibace Investments Ltd. and certain related companies
- Director, Bibace Management Company Limited
- Director, Chang Fung Company Limited
- Director, Freesia Investments Ltd
- Director, ICD (HK) Limited
- Director, KAP Holdings Ltd. and certain related companies
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Mae Samat Land Limited
- Director, Maypole Ltd. and certain related companies
- Director, Platinum Enterprise Limited and certain related companies
- Director, Recourse Investments Ltd. and certain related companies
- Director, RHYC Pte. Ltd.
- Director, Sin-Hai Offshore Company Limited

2013-2018

- Chairman, School of Hotel and Tourism Management of the Hong Kong Polytechnic University - School Advisory Committee

2000-2016

- Director, Asia Tapioca Products Company Limited

Mr. Vudhiphol Suriyabhivadh

Independent Director

(Age 76 Years)

Date of First Appointment
as Director: 7 May 2003



Highest Educational Background and Director Certificate Program:

- Bachelor of Commerce (Accountancy),
University of New South Wales, Australia
- Bachelor of Law, Sukhothai Thammathirat University
- Director Certification Program (2003)
- Audit Committee Program (2005),
Thai Institute of Directors Association
- Executive Course, IMD Lausanne, Switzerland

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Independent Director,
Audit, Risk and Corporate Governance Committee Chairman
and Nomination and Remuneration Committee Member,
Laguna Resorts & Hotels Public Company Limited
- Independent Director,
Audit, Risk and Corporate Governance Committee Chairman
and Nomination and Remuneration Committee Member,
Thai Wah Public Company Limited
- Independent Director, Vice Chairman of the Board of Directors
and Audit Committee Chairman,
L.P.N. Development Public Company Limited

2015-2020

- Independent Director, Audit Committee Chairman and
Nomination and Remuneration Committee Chairman
Bangkok Ranch Public Company Limited

2015-2018

- Nomination, Remuneration and Good Corporate
Governance Committee Chairman,
L.P.N. Development Public Company Limited

2003-2015

- Nomination and Remuneration Committee Member,
Thai Wah Food Products Public Company Limited

1999-2015

- Audit and Risk Committee Member,
Thai Wah Food Products Public Company Limited

1996-2015

- Independent Director,
Thai Wah Food Products Public Company Limited

In Non-Listed Companies

None

Dr. Jingjai Hanchanlash

Independent Director

(Age 78 Years)

Date of First Appointment
as Director: 15 May 2001



Highest Educational Background and Director Certificate Program:

- Doctorate University de Caen (Mention droit), France
- Certificate in Project Analysis Training,
University of Connecticut, USA
- Certificate in Mid Career Management Training,
University of Western Ontario, Canada
- Director Accreditation Program (2003)
- Audit Committee Program (2007),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Independent Director,
Audit, Risk and Corporate Governance Committee Member
and Nomination and Remuneration Committee Chairman,
Laguna Resorts & Hotels Public Company Limited
- Independent Director,
Audit, Risk and Corporate Governance Committee Member
and Nomination and Remuneration Committee Chairman,
Thai Wah Public Company Limited
- Vice Chairman, Muang Thai Insurance Public Company Limited
- Advisor the Executive Board, Loxley Public Company Limited
- Director and Executive Director,
Asian Phytoceuticals Public Company Limited

2017-2019

- Vice Chairman of the Executive Board,
Loxley Public Company Limited

2014-2019

- Director, Loxley Public Company Limited

2013-2015

- Nomination and Remuneration Committee Member,
Thai Wah Food Products Public Company Limited

2000-2015

- Independent Director and Audit and Risk Committee Member,
Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Honorary Chairman, Greater Mekong Sub-Region Business Forum
- Chairman of the Executive Board,
Rutnin-Gimbel Excimer Laser Eye Centre
- Vice Chairman, Thai Chamber of Commerce
- Board Member, King Prajadhipok's Institute

2003-2020

- Board Member, SPIE Oil & Gas Services (Thailand) Limited

BOARD OF DIRECTORS



**Highest Educational Background and
Director Certificate Program:**

- Master of Business Administration,
University of Notre Dame, USA
- Bachelor of Science (Electrical Engineering),
University of Colorado, USA
- Director Certification Program (2003),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Independent Director,
Audit, Risk and Corporate Governance Committee Member
and Nomination and Remuneration Committee Member,
Laguna Resorts & Hotels Public Company Limited
- Executive Vice President, Corporate Banking,
Bangkok Bank Public Company Limited

2011-2016

- Executive Vice President and
Head of Provincial Commercial Banking,
Bangkok Bank Public Company Limited

In Non-Listed Companies

None



**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Art - Economics, Smith College, USA
- Director Accreditation Program (2015),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Independent Director,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

1999-2015

- Chief Executive Officer, Burda (Thailand) Company Limited



Mr. Surapon Supratya
Independent Director
 (Age 68 Years)
 Date of First Appointment
 as Director: 22 March 1996

Highest Educational Background and Director Certificate Program:

- Master of Accounting, Thammasat University
- Certified Public Accountant of Thailand
- Director Accreditation Program (2009), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Independent Director, Laguna Resorts & Hotels Public Company Limited
- Non-Executive Director, Thai Wah Public Company Limited

2016-2019

- Non-Executive Director, Laguna Resorts & Hotels Public Company Limited

2013-2016

- Deputy Chairman of the Board, Laguna Resorts & Hotels Public Company Limited

1996-2015

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

2003-2016

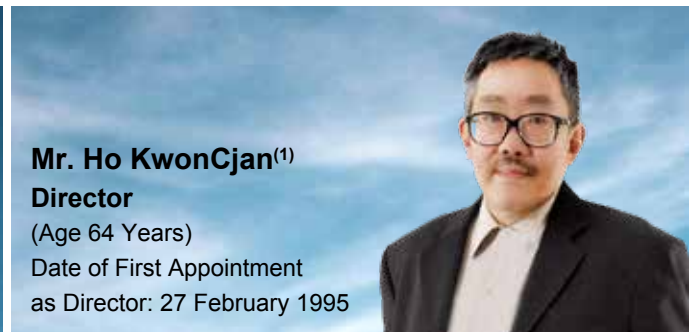
- Director, Vietnam Tapioca Company Limited

2000-2016

- Director, Asia Tapioca Products Company Limited

1996-2016

- Director, Tay Ninh Tapioca Joint Stock Company



Mr. Ho KwonCjan⁽¹⁾
Director
 (Age 64 Years)
 Date of First Appointment
 as Director: 27 February 1995

Highest Educational Background and Director Certificate Program:

- Bachelor of Architecture (Hons), National University of Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonPing's younger brother and Mr. Ho Ren Hua and Ms. Ho Ren Yung's uncle

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Director, Laguna Resorts & Hotels Public Company Limited
- Non-Executive Director, Thai Wah Public Company Limited

1997-2015

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Profit Chain Ltd.
- Director, Lanna Land Development Company Limited
- Director, Mae Malai Doi Resorts Company Limited
- Director, Platinum Enterprise Limited and certain related companies
- Director, Li-Ho Holdings (Private) Limited and certain related companies
- Director, Chang Fung Company Limited
- Director, PT Bintan Hotels
- Director, Freesia Investments Ltd
- Director, Vail Enterprises Group Corp.

2006-2016

- Director, Bibace Investments Ltd

2000-2016

- Director, Asia Tapioca Products Company Limited

BOARD OF DIRECTORS



**Highest Educational Background and
Director Certificate Program:**

- Master of Business Administration,
National University of Singapore
- Certified Public Accountant of Philippines

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Non-Executive Director,
Laguna Resorts & Hotels Public Company Limited
- Non-Executive Director,
Thai Wah Public Company Limited

2013-2020

- Non-Independent and Non-Executive Director,
Banyan Tree Holdings Limited

2013-2015

- Director, Thai Wah Starch Public Company Limited
- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

2015-2020

- Director, ICD (HK) Limited



**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Commerce,
University of Auckland, New Zealand
- Associate Chartered Accountant,
New Zealand Society of Accountants
(Currently known as New Zealand Institute of
Chartered Accountants)

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Director, Laguna Resorts & Hotels Public Company Limited
- President and Group Managing Director,
Banyan Tree Holdings Limited

2004-2018

- Chief Financial Officer, Banyan Tree Holdings Limited

In Non-Listed Companies

Present

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Director, Certain related companies of
Banyan Tree Holdings Limited
- Director, Tropical Resorts Limited and
certain related companies
- Director, Singapore-Bintan Resort Holdings Pte Ltd
- Director, Donvale Limited
- Director, Debenham Limited
- Director, Hotel Management Ltd
- Director, Private Collection (S) Pte. Ltd.



Highest Educational Background and Director Certificate Program:

- Postgraduate Diploma in Management Studies, Kingston University, London, UK
- Higher National Diploma Finance, South West London College, UK

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Director and Managing Director, Laguna Resorts & Hotels Public Company Limited
- Executive Vice President - Group Business Performance Banyan Tree Holdings Limited
- Non-Executive Director, Thai Wah Public Company Limited

2017-2019

- Managing Director, Owned Hotels and Managing Director (Spa Operations), Banyan Tree Holdings Limited

In Non-Listed Companies

Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Director, Certain related companies of Banyan Tree Holdings Limited
- Director, Banyan Tree Hotels & Resorts (Thailand) Limited

2011-2016

- Managing Director, Laguna Lang Co Vietnam



Highest Educational Background and Director Certificate Program:

- Bachelor of Business Degree in Accounting, University of Western Sydney, Australia
- Associate Chartered Accountant, Institute of Chartered Accountants in Australia
- Director Certification Program (2010), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Director, Laguna Resorts & Hotels Public Company Limited **2013**

- Deputy Managing Director, Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of Laguna Resorts & Hotels Public Company Limited⁽²⁾
- Senior Vice President - Group Property Development, Laguna Banyan Tree Limited

BOARD OF DIRECTORS



Mr. Ho Ren Hua⁽¹⁾

Director

(Age 38 Years)

Date of First Appointment
as Director: 9 November 2011

Highest Educational Background and Director Certificate Program:

- Bachelor of Science in Economics (Honors) majoring in Finance and Management, The Wharton School, University of Pennsylvania, USA
- Chartered Director Class (2015),
- Directors Certification Program (2015)
- Diploma Examination (2016), Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonPing's son, Mr. Ho KwonCjan's nephew and Ms. Ho Ren Yung's elder brother

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Director, Laguna Resorts & Hotels Public Company Limited
- Director and Chief Executive Officer, Thai Wah Public Company Limited
- Non-Executive and Non-Independent Director, Banyan Tree Holdings Limited

2015

- Director and Chief Executive Officer, Thai Wah Starch Public Company Limited

2011-2015

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Board of Commissioner, PT Thai Wah Indonesia
- Chairman of the Board / Director, Certain related companies of Banyan Tree Holdings Limited
- Chairman of the Board, Thai Wah International Trade (Shanghai) Company Limited
- Director, Bibace Management Company Limited
- Director, Casita Holdings Ltd.
- Director, Dawina Investments Ltd.
- Director, ICD (HK) Limited
- Director, Maypole Ltd. and certain related companies
- Director, RY LTD
- Director, Rocket International Investments Limited
- Director, Sin-Hai Offshore Company Limited
- Director, Tapioca Development Corporation Limited
- Director, Thai Wah Vietnam Company Limited
- Director, TWPC Investment (Cambodia) Co., Ltd.
- Director, United Insulation Services Pte. Ltd.

2016-2017

- Director, Asia Tapioca Products Company Limited



Ms. Ho Ren Yung

Non-Executive Director

(Age 35 Years)

Date of First Appointment
as Director: 29 April 2020

Highest Educational Background and Director Certificate Program:

- Bachelor of Science in Sociology and Economics Development, London School of Economics
- A Certificate in Accounting and Finance, National University of Singapore

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management:

Mr. Ho KwonPing's daughter, Mr. Ho KwonCjan's niece and Ms. Ho Ren Hua's younger sister

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Non-Executive Director, Laguna Resorts & Hotels Public Company Limited
- Non-Executive Director, Thai Wah Public Company Limited
- Vice President, Banyan Tree Holdings Limited

In Non-Listed Companies

Present

- Director, ICD (HK) Limited
- Director, Bibace Management Company Limited
- Director, Mamaboss Pte. Ltd.
- Director, RY LTD
- Business Unit Head, Banyan Tree Spa and Gallery
- Co-Founder, Matter Prints

2016-2017

- Director of Retail Operations, Banyan Tree Gallery

Remark

- No directors or management of the Company have any record of committing any illegal action.
- Disclosure on "Percentage of Shareholding in the Company" is in accordance with section 59 of the Securities and Exchange Act B.E. 2535.

⁽¹⁾ Authorized directors as shown in the Company Affidavit

⁽²⁾ Details as shown in the section of "Position of Directors and Management as at 31 December 2020"

Management, Head of Group Internal Audit and Company Secretary of the Company

Name	Position	Profile
Management*		Profile as shown in the section of "Board of Directors as at 31 December 2020"
Mr. Ho KwonPing	Chief Executive Officer	
Mr. Shankar Chandran	Managing Director	
Mr. Kuan Chiet	Chief Financial Officer, ¹ Vice President - Finance & Administration and Company Secretary	
Ms. Piploy Pluemarom	Assistant Vice President - Group Human Resources	
Ms. Areewan Sriwichupong	Chief Accountant and Assistant Vice President - Finance	Profile as shown in the following pages
Head of Group Internal Audit		
Mr. Toeh Tian Eng	Head of Group Internal Audit	
Company Secretary		
Mr. Kuan Chiet	Chief Financial Officer, ¹ Vice President - Finance & Administration and Company Secretary	

Remark

- No directors or management of the Company have any record of committing any illegal action.

* Effective 1 February 2015, all positions from Assistant Vice President and above are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

¹ Mr. Kuan Chiet resigned as Chief Financial Officer on 15 January 2021 and was replaced by Mr. Edmund Tan Min Hai.

MANAGEMENT OF THE COMPANY

Mr. Kuan Chiet
Chief Financial Officer,
Vice President - Finance & Administration
and Company Secretary
(Age 54 Years)

Ms. Piploy Pluemarom
Assistant Vice President -
Group Human Resources
(Age 62 Years)

**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Business Administration,
National University of Singapore
- Director Certification Program (2002),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Chief Financial Officer,
Vice President - Finance & Administration and
Company Secretary,
Laguna Resorts & Hotels Public Company Limited

2018-2019

- Chief Financial Officer, Banyan Tree Holdings Limited

2014-2016

- Senior Assistant Vice President - Finance & Administration,
Laguna Resorts & Hotels Public Company Limited

2000-2015

- Director, Thai Wah Food Products Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

2008-2015

- Director, Tapioca Development Corporation Limited

**Highest Educational Background and
Director Certificate Program:**

- Master of Public Administration, Chulalongkorn University

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Assistant Vice President - Group Human Resources,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related company of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

Ms. Areewan Sriwichupong
Chief Accountant and
Assistant Vice President - Finance
(Age 49 Years)

Mr. Toeh Tian Eng
Head of Group Internal Audit
(Age 40 Years)

**Highest Educational Background and
Director Certificate Program:**

- Master of Business Administration (Strategic Management),
Thammasat University
- Director Certification Program (2014),
Thai Institute of Directors Association

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Chief Accountant and Assistant Vice President - Finance,
Laguna Resorts & Hotels Public Company Limited

In Non-Listed Companies

Present

- Director, Certain related companies of
Laguna Resorts & Hotels Public Company Limited⁽¹⁾

**Highest Educational Background and
Director Certificate Program:**

- Bachelor of Commerce,
University of Western Australia, Australia
- Certified Public Account of Australia

Percentage of Shareholding in the Company:

None (No movement during the year)

Family Relation between Management: No relation

Working Experiences for the Past 5 Years:

In Listed Companies

Present

- Head of Group Internal Audit,
Laguna Resorts & Hotels Public Company Limited
- Head of Group Internal Audit,
Banyan Tree Holdings Limited

2008-2020

- Assistant Vice President - Internal Audit
IA Section Head of Group Lodging Business,
CapitaLand Limited

In Non-Listed Companies

None

Remark

- No directors or management of the Company have any record of committing any illegal action.
- Disclosure on "Percentage of Shareholding in the Company" is in accordance with section 59 of the Securities and Exchange Act B.E. 2535.
- * Effective 1 February 2015, all positions from Assistant Vice President and above are considered management of the Company in accordance with the definition of the Securities and Exchange Commission.

⁽¹⁾ Details as shown in the section of "Information on the Directors of Subsidiaries as at 31 December 2020"

BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Details of Positions of Directors and Management as at 31 December 2020

No.	Name list		LRH	Subsidiaries											
				AVCI	BGL	BT1	BT2	BT3	BT4	BTL	BTG(S)	BTG(T)	CGL	L3	LBT
1	Mr. Ho	KwonPing	BoDC, CEO, M	-	-	-	-	-	-	-	-	-	-	-	-
2	Mr. Vudhiphol	Suriyabhivadh	ID, ARCGC, NRC	-	-	-	-	-	-	-	-	-	-	-	-
3	Dr. Jingjai	Hanchanlash	ID, ARCG, NRCC	-	-	-	-	-	-	-	-	-	-	-	-
4	Mr. Thongchai	Ananthothai	ID, ARCG, NRC	-	-	-	-	-	-	-	-	-	-	-	-
5	Ms. Srinthorn	Ounayakovit	ID	-	-	-	-	-	-	-	-	-	-	-	-
6	Mr. Surapon	Supratya	ID	-	-	-	-	-	-	-	-	-	-	-	-
7	Mr. Ho	KwonCjan	/	-	/	/	/	/	/	/	-	/	-	/	/
8	Mr. Ariel	P. Vera	NED	-	-	-	-	-	-	-	-	-	-	-	-
9	Mr. Eddy	See Hock Lye	/	PC	/	/	/	/	/	/	/	/	/	/	/
10	Mr. Ho	Ren Hua	/	-	-	-	-	-	-	-	-	-	-	-	-
11	Mr. Shankar	Chandran	/, MD, M	-	/	/	/	/	/	/	-	/	/	/	/
12	Mr. Stuart	David Reading	/	PD	/	/	/	/	/	/	/	/	-	/	/
13	Ms. Ho	Ren Yung	NED	-	-	-	-	-	-	-	-	-	-	-	-
14	Mr. Kuan	Chiet	M	/	/	/	/	/	/	/	-	/	/	/	/
15	Ms. Piploy	Pluemarom	M	-	-	-	-	-	-	-	-	-	-	-	-
16	Ms. Areewan	Sriwichupong	M	-	/	/	/	/	/	/	-	/	/	/	/

Remark

BoDC = Board of Directors Chairman

ID = Independent Director

PD = President Director

ARCGC = Audit, Risk and Corporate Governance Committee Chairman

NRCC = Nomination and Remuneration Committee Chairman

NED = Non-Executive Director,

- = None

CEO = Chief Executive Officer

MD = Managing Director

PC = President Commissioner

ARCG = Audit, Risk and Corporate Governance Committee Member

NRC = Nomination and Remuneration Committee Member

/ = Director

M = Management according to the definition of the Securities and Exchange Commission

Full Company name as shown in the section of "Abbreviations"

BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Subsidiaries																Associated Companies		Related Companies		
LEL	LGL	LHC	LLL	LSC	LVL	MCP	PGR	PSD	TLDC	TWL	TWPL	TWRH	TWT	TWT2	V9F	BTC	TRL	BI	HHBR	TWPC
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	BoDC	/	-	BoDC
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	ID
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	CEO, /
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BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Information on the Directors of Subsidiaries as at 31 December 2020

No.	Name list		Subsidiaries									
			AVCI	BGL	BT1	BT2	BT3	BT4	BTL	BTG(S)	BTG(T)	CGL
1	Mr. Ho	KwonCjan	-	/	/	/	/	/	/	-	/	-
2	Mr. Kuan	Chiet	/	/	/	/	/	/	/	-	/	/
3	Mr. Stuart	David Reading	PD	/	/	/	/	/	/	/	/	-
4	Ms. Areewan	Sriwichupong	-	/	/	/	/	/	/	-	/	/
5	Mr. Shankar	Chandran	-	/	/	/	/	/	/	-	/	/
6	Ms. Claire	Chiang See Ngoh	-	-	-	-	-	-	-	/	/	-
7	Mr. Phitak	Boonpojanasontorn	-	-	-	-	-	-	-	-	-	-
8	Mr. Eddy	See Hock Lye	PC	/	/	/	/	/	/	/	/	/
9	Mr. Boon	Yongsakul	-	-	-	-	-	-	-	-	-	-
10	Ms. Sriya	Yongsakul	-	-	-	-	-	-	-	-	-	-
11	Ms. Piploy	Pluemarom	-	-	-	-	-	-	-	-	-	-
12	Mr. Kontee	Warapitayut	-	/	/	/	/	/	/	-	/	-
13	Mr. Amnuay	Navachotechaiyakul	-	-	-	-	-	-	-	-	-	-
14	Ms. Berty Maydiana	Santy	/	-	-	-	-	-	-	-	-	-
15	Mr. Paul Anthony	Wilson	/	-	-	-	-	-	-	-	-	-
16	Mrs. Wanwipa	Noble	-	-	-	-	-	-	-	-	-	-

Remark:

PC = President Commissioner
 PD = President Director
 / = Director
 - = None

Full Company name as shown in the section of "Abbreviations"

BOARD OF DIRECTORS AND MANAGEMENT OF THE COMPANY

Subsidiaries																	
L3	LBTL	LEL	LGL	LHC	LLL	LSC	LVL	MCP	PGR	PSD	TLDC	TWL	TWPL	TWRH	TWT	TWT2	V9F
/	/	-	-	-	-	-	-	/	/	/	-	/	-	/	/	/	-
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LAGUNA PHUKET MANAGEMENT TEAM



Laguna



LAGUNA PHUKET MANAGEMENT TEAM

1. **Shankar Chandran**, Managing Director / Executive Vice President,
Laguna Resorts & Hotels Public Company Limited
2. **Stuart David Reading**, Senior Vice President - Group Property Development,
Laguna Banyan Tree Limited
3. **Kuan Chiet**, Chief Financial Officer / Vice President - Finance and Administration / Company Secretary,
Laguna Resorts & Hotels Public Company Limited
4. **Anthony Loh**, Vice President - Resort Services,
Laguna Service Company Limited
5. **Paul Anthony Wilson**, Senior Assistant Vice President - Group Golf and Destination Sales & Marketing,
Laguna Grande Limited
6. **Roy Lau**, Senior Assistant Vice President - Property Sales,
Laguna Banyan Tree Limited
7. **Nopparat Aumpa**, Senior Assistant Vice President / General Manager,
Banyan Tree Bangkok / Banyan Tree Phuket
8. **Piploy Pluemarom**, Assistant Vice President / Director of Group HR,
Laguna Resorts & Hotels Public Company Limited
9. **Wei Wei Tan**, Assistant Vice President / Head of Lifestyle Services,
Laguna Banyan Tree Limited
10. **Shuanghan Jia**, Assistant Vice President - Sales Channels Development,
Laguna Banyan Tree Limited
11. **Hsu Yonchyen Seet**, Assistant Vice President - Head of Projects, Thailand,
Laguna Banyan Tree Limited
12. **Philip Neill Gregory**, Director of Finance and Operations,
Laguna Resorts & Hotels Public Company Limited
13. **Benjawan Mekskul**, Regional Director of Sales & Marketing - Thailand,
Banyan Tree Resorts & Spas (Thailand) Company Limited
14. **Passaraporn Kaotan**, Director of Operations,
Laguna Grande Limited
15. **Prapa Hemmin**, Director of Events and Partnership,
Laguna Service Company Limited
16. **Porntip Kankhew**, Director of Corporate IT,
Banyan Tree Resorts & Spas (Thailand) Company Limited
17. **Michael Zitek**, Area General Manager,
Angsana Laguna Phuket / Angsana Villas Resort Phuket / Laguna Holiday Club Phuket Resort
18. **Logan Daley**, Hotel Manager,
Cassia Phuket
19. **Kontee Warapitayut**, Senior Manager - Legal,
Laguna Resorts & Hotels Public Company Limited

LAGUNA VILLAGE RESIDENCES



General Information

Head Office

Laguna Resorts & Hotels Public Company Limited

Thai Wah Tower I, 7th, 22nd and 24th floor, No. 21/17B, 21/17C, 21/65, 21/66 and 21/68

South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand

Telephone 66 (0) 2677 4455 | Facsimile 66 (0) 2285 0733

Branch

390/1 Moo 1, Srisoontorn Road, Chergtalay, Thalang, Phuket 83110, Thailand

Telephone 66 (0) 7636 2300 | Facsimile 66 (0) 7632 4061

Homepages

www.lagunaresorts.com (Corporate Website) | www.lagunaphuket.com (Marketing Website)

Corporate Registration number

0107535000371

Type of Major Businesses

Hotel Business and Property Development

Registered Capital

Baht 2,116,753,580

Issued and Paid-up Capital

Baht 1,666,827,010

No. and Type of Shares Issued and Par Value

166,682,701 ordinary shares at the par value of Baht 10 per share

Foreign Limit

Not exceeding 49 percent of the total issued and paid-up shares of the Company

Dividend Policy of the Company

The Company's dividend policy seeks to maximize shareholder value and encourage shareholder loyalty with predictable annual growth in dividend payout which is not impacted by profit volatility. With that objective, the Company's Dividend Policy is based on the principles of stability, predictability and managed growth, outlined as follows:

- **Stability** Unless the Company suffers a substantial net loss, it will pay a dividend each year so that shareholders are not negatively affected by annual profit volatility.
- **Predictability** Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.
- **Managed growth** The Company will strive to increase and smooth out the dividends year-on-year within a broadband but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections.

Dividend Policy of the Subsidiaries

In respect of the dividend payment policy of the subsidiaries, such subsidiaries will pay dividends from their net profits. There is no specific dividend policy and dividend payment is subject to many factors such as their financial condition and results of operations, liquidity, business expansion and factors related to the operation of their business.

Total Employees

50 employees (only employees employed by Laguna Resorts & Hotels Public Company Limited as of 31 December 2020)

CORPORATE AND MANAGEMENT STRUCTURE

Companies in which the Company's Shareholding Exceeds 10 percent

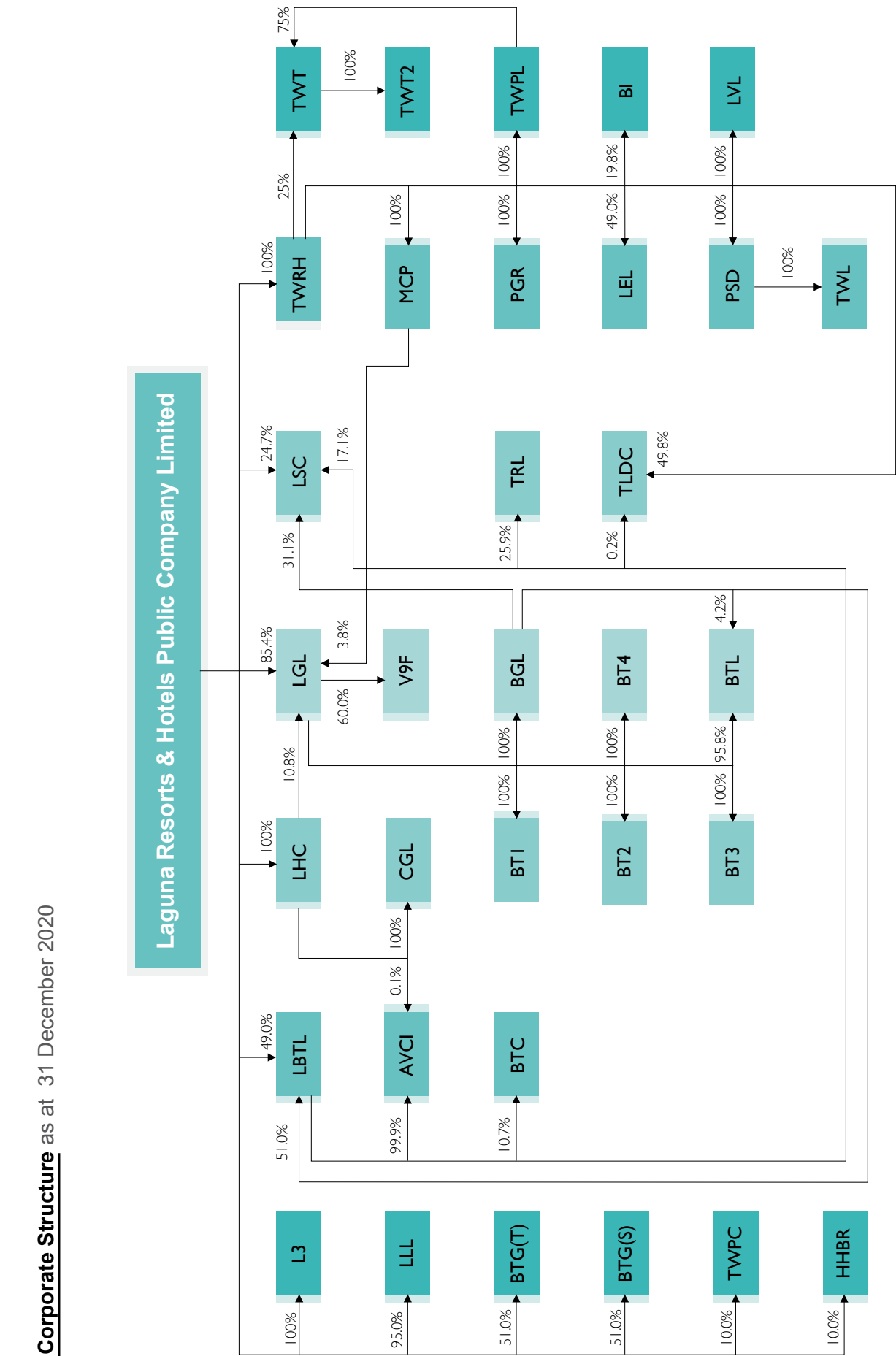
Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone
AVCI	Holiday club membership and golf club operations	Bintan	USD7,000,000	USD10.00	USD6,599,350	100.00	(62) 770 693 402
BGL	Hotel operations and property development	Phuket	1,546,000,000	100.00	1,546,000,000	100.00	66 (0) 7632 4101-7
BI	Investment holdings	British Virgin Islands	USD50,000	USD0.01	USD10,100	19.80	(65) 6849 5888
BT1	Owens land on which the golf course is situated	Phuket	20,930,000	100.00	20,930,000	100.00	66 (0) 7636 2300
BT2	Owens land on which the golf course is situated	Phuket	19,100,000	100.00	19,100,000	100.00	66 (0) 7636 2300
BT3	Property development	Phuket	7,750,000	100.00	7,750,000	100.00	66 (0) 7636 2300
BT4	Owens land on which the golf course is situated	Phuket	14,550,000	100.00	14,550,000	100.00	66 (0) 7636 2300
BTC	Investment holdings	Singapore	-**	-**	SGD235,435,987	10.69	(65) 6849 5888
BTL	Owens land on which a hotel is situated and property development	Phuket	80,000,000	100.00	80,000,000	100.00	66 (0) 7636 2300
BTG(S)	Sale of merchandise	Singapore	-**	-**	SGD432,000	51.00	(65) 6849 5888
BTG(T)	Sale of merchandise	Bangkok	7,750,000	100.00	7,750,000	51.00	66 (0) 2677 3100
CGL	Investment holding	Hong Kong	-***	-***	HKD2	100.00	(852) 2598 5234
HHBR	Dormant	Bangkok	10,000,000	10.00	10,000,000	10.00	66 (0) 2454 0037
L3	Owens land on which a hotel is situated	Phuket	100,000	100.00	100,000	100.00	66 (0) 7636 2300
LBTL	Hotel operations, property development and sales and marketing service for holiday club membership	Phuket	1,500,000,000	100.00	1,500,000,000	100.00	66 (0) 7632 4374
LEL	Travel operations	Phuket	8,000,000	100.00	8,000,000	49.00	66 (0) 7636 2300
LGL	Golf club operations and property development	Phuket	1,000,000,000	100.00	1,000,000,000	100.00	66 (0) 7636 2300
LHC	Holiday club membership and property development	Phuket	330,000,000	100.00	330,000,000	100.00	66 (0) 7636 2400
LLL	Property development	Phuket	1,000,000	100.00	1,000,000	95.00	66 (0) 7636 2300

Companies in which the Company's Shareholding Exceeds 10 percent (con't)

Company (Abbreviations)	Type of Business	Head Office	Registered Capital (Baht)	Par Value (Baht/Share)	Paid-Up Capital (Baht)	Shareholding Proportion (Direct+Indirect*) (%)	Telephone
LSC	Provide utilities and other services to hotels of subsidiaries	Phuket	90,500,000	100.00	90,500,000	72.90	66 (0) 7630 5639
LVL	Dormant	Phuket	6,000,000	100.00	6,000,000	100.00	66 (0) 7633 6900
MCP	Holds land plots for future development	Bangkok	232,300,000	100.00	232,300,000	100.00	66 (0) 2677 4455
PGR	Property development and hotel operations	Phuket	100,000,000	100.00	100,000,000	100.00	66 (0) 7636 2300
PSD	Holds land plots for future development	Bangkok	28,400,000	100.00	28,400,000	100.00	66 (0) 2677 4455
TLDC	Property development	Bangkok	251,000,000	1,000.00	251,000,000	50.00	66 (0) 2677 4455
TRL	Resort investment and development	Hong Kong	***	***	USD21,000,000	25.87	(852) 2869 7333
TWL	Property development	Phuket	214,370,000	100.00	214,370,000	100.00	66 (0) 7636 2300
TWPC	Manufacture and distribution tapioca starch products and starch-related products such as vermicelli, noodles and sago	Bangkok	880,420,930	1.00	880,420,930	10.03	66 (0) 2285 0040
TWPL	Hotel operations, lease of office building space and property development	Bangkok	2,250,000,000	100.00	2,250,000,000	100.00	66 (0) 2677 4455
TWRH	Investment holding and property development	Bangkok	1,550,000,000	100.00	1,550,000,000	100.00	66 (0) 2677 4455
TWT	Lease of office building space	Bangkok	455,000,000	100.00	455,000,000	100.00	66 (0) 2677 4455
TWT2	Owns land on which a hotel is situated	Bangkok	21,000,000	100.00	21,000,000	100.00	66 (0) 2677 4455
V9F	Farming and restaurant	Chiang Mai	2,000,000	100	2,000,000	60	66 (0) 7636 2300

Remark

- * Indirect takes into account only those companies in which the Company has shareholding through a subsidiary(ies) (exceeding 50 percent)
 ** With effect from 30 January 2006, the concepts of authorized / registered capital and par value have been abolished by law in respect of all Singapore companies.
 *** With effect from 3 March 2014, the concepts of authorized / registered capital and par value have been abolished by law in respect of all Hong Kong companies.
 . Full Company name as shown in the section of "Abbreviations"



CORPORATE AND MANAGEMENT STRUCTURE

Major shareholders as at 30 December 2020[#]

No.	Shareholders	No. of Shares Held	Total Shareholdings	%
1	Banyan Tree Holdings Limited Group of Companies		143,817,503	86.3
	(1) Banyan Tree Assets (Thailand) Company Limited*	80,432,342		
	(2) Banyan Tree Resorts & Spas (Thailand) Company Limited**	62,332,399		
	(3) Banyan Tree Hotels & Resorts Pte. Ltd.*	1,052,762		
2	Thai Wah Public Company Limited		3,480,200	2.1
3	Mr. Suvit Laohapholwattana		2,983,800	1.8
4	International Commercial Development Company Limited		2,585,950	1.6
5	Mr. Watshira Tayanaraporn		2,072,000	1.2
6	Ms. Pawana Atcharawan		1,839,300	1.1
7	Mr. Somchai Tiathasin		1,243,600	0.8
8	Ms. Pawita Kongthanasomboon		731,000	0.4
9	Mr. Permsak Kengmana		557,950	0.3
10	Mr. Phitak Boonpojanasootorn		346,853	0.2
	Other Minority Shareholders		7,024,545	4.2
	Total		166,682,701	100.0

Remarks:

= As at the last share register book closing date.

Updated shareholder information prior to the 2021 Annual General Meeting can be accessed through www.lagunaresorts.com, the Company's corporate website.

* = A company which is a wholly-owned subsidiary of Banyan Tree Holdings Limited.

** = A company which is under the control of Banyan Tree Holdings Limited.

CORPORATE AND MANAGEMENT STRUCTURE

Management Structure

The Board structure is comprised of the main board and 2 committees: (1) Board of Directors, (2) Audit, Risk and Corporate Governance Committee, and (3) Nomination and Remuneration Committee.

Board of Directors

The Board of Directors of the Company comprises 13 Directors, 5 of whom are Independent Directors representing more than one-third of total Board members as follows:

Name		Position	Number of Meeting Attendance during 2020 / Total
Mr. Ho KwonPing		Chairman of the Board	4/4
Mr. Vudhiphol Suriyabhivadh		Independent Director*	4/4
		Audit, Risk and Corporate Governance Committee Chairman	
		Nomination and Remuneration Committee Member	
Dr. Jingjai Hanchanlash		Independent Director*	4/4
		Nomination and Remuneration Committee Chairman	
		Audit, Risk and Corporate Governance Committee Member	
Mr. Thongchai Ananthothai		Independent Director*	4/4
		Audit, Risk and Corporate Governance Committee Member	
		Nomination and Remuneration Committee Member	
Ms. Srinthorn Ounayakovit		Independent Director*	4/4
Mr. Surapon Supratya ¹		Independent Director*	3/4
Mr. Ariel P. Vera ²		Non-Executive Director	4/4
Mr. Ho KwonCjan		Director	4/4
Mr. Eddy See Hock Lye		Director	4/4
Mr. Ho Ren Hua		Director	4/4
Mr. Shankar Chandran		Director	4/4
Mr. Stuart David Reading		Director	4/4
Ms. Ho Ren Yung		Non-Executive Director	3/4 ³

* The definition of "Independent Director" is disclosed under the section of "Corporate Governance".

- Qualification and profile of the directors is shown in Attachment 1

¹ Ms. Surapon Supratya resigned from his directorship on 1 January 2021

² Ms. Ariel P. Vera was appointed as an Independent Director at the Board Meeting of the Company held on 24 February 2021.

³ Ms. Ho Ren Yung was appointed as new Non-Executive Director by the resolution of the 2020 Annual General Meeting on 27 April 2020.

Authorized Signatory

The Company's authorized signatories are "Two directors from the following six directors namely Mr. Ho KwonPing, Mr. Ho KwonCjan, Mr. Stuart David Reading, Mr. Ho Ren Hua, Mr. Eddy See Hock Lye and Mr. Shankar Chandran can jointly sign with the seal of the Company affixed".

Duties and Responsibilities of the Company's Board of Directors

The Board's primary functions are to set the Company's policy and overall strategy for the Group and to provide effective oversight on the management of the Group's business and affairs. Apart from its statutory duties, the responsibilities of the Board include:

1. Overseeing the Company in managing the business for the benefits of shareholders by observing the following four practices:
 - 1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
 - 1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).
 - 1.3 Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors, and the resolutions of Shareholders' Meetings (Duty of Obedience).
 - 1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure).
2. Defining objectives that promote sustainable value creation and governance outcomes as a framework for the operations of the Company.
3. Formulating and approving the Company's vision, mission, broad policies, strategies, and financial objectives for business operation and reviewing them to be consistent with any change in a business situation.
4. Monitoring and approving the Company's key operational initiatives, annual budget, major investment, and funding decisions;
5. Determining and reviewing the board structure, in terms of size, composition, and the proper proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.
6. Ensuring that the policy and procedures for the nomination and selection of directors are clear and transparent resulting in the desired composition of the board.
7. Ensuring that all directors are properly accountable for their duties and responsibilities, and allocate sufficient time to discharge their duties and responsibilities effectively.
8. Ensuring that directors understand the roles and responsibilities, the nature of the business, the Company's operations, relevant laws and are consistently given support to enhance their skills and knowledge necessary to carry out their roles on the board and board committees.
9. Ensuring that an appropriate director compensation structure and performance evaluation are in place.
10. Ensuring that the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.
11. Prioritizing and promoting innovation that creates value for business together with benefits for its customers, other stakeholders, society and the environment in support of sustainable growth of the Company.
12. Encouraging management to adopt responsible operations towards society and the environment and incorporate them into the Company's operational plan in order to ensure that every department and function in the Company adopts the Company's objectives, goals, and strategies, applying high ethical, environmental and social standards.
13. Establishing a framework for the governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.
14. Ensuring that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives, goals, and strategies and comply with applicable laws and standards.

CORPORATE AND MANAGEMENT STRUCTURE

15. Monitoring and managing conflicts of interest that might occur between the Company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
16. Establishing a clear anti-corruption policy and practices and disseminating to the Company's stakeholders for proper implementations.
17. Establishing a mechanism for handling complaints and whistleblowing.
18. Prioritizing and ensuring the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.
19. Monitoring the financial liquidity and solvency of the Company and ensuring that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated and that the Company's governance framework provides for the consideration of stakeholder rights.

These functions are either carried out directly by the Board or through Sub-Committees established by the Board, principally the Audit, Risk and Corporate Governance Committee and Nomination and Remuneration Committee. The delegation of authority by the Board to Sub-Committees enables the Board to achieve operational efficiency by empowering these Sub-Committees to decide on matters within certain limits of authority and yet maintain control over major policies and decisions.

The Term of Office

The term of office of a director of the Board shall be 3 years. A director of the Board who vacates his/her office by rotation may be re-appointed.

Audit, Risk and Corporate Governance Committee

The Audit, Risk and Corporate Governance Committee comprises 3 Independent Directors of the Company as follows:

Name		Position
Mr. Vudhiphol	Suriyabhivadh	Chairman
Dr. Jingjai	Hanchanlash	Member
Mr. Thongchai	Ananthothai	Member

Mr. Vudhiphol Suriyabhivadh, the Chairman of the Audit, Risk and Corporate Governance Committee, has adequate expertise and experience to review financial reports. Mr. Vudhiphol's formal education as a trained accountant and his former employment as the Financial Director of East Asiatic (Thailand) Public Company Limited has given him ample experience in reviewing the creditability of the financial reports.

Duties and Responsibilities of the Audit, Risk and Corporate Governance Committee

1. To review the accuracy and adequacy of financial reporting of the Company;
2. To review the adequacy and effectiveness of internal control and internal audit systems of the Company as well as to determine the independence of the internal audit unit, and to approve the appointment, transfer, and termination of employment of the chief of the internal audit unit;
3. To consider, select, nominate and terminate an independent person to be the external auditor of the Company and propose fees for such person, as well as to attend a non-management meeting with the external auditor at least once a year;

CORPORATE AND MANAGEMENT STRUCTURE

4. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and the laws relating to the business of the Company;
5. To review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws, regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
6. To report the activities of the Audit, Risk and Corporate Governance Committee to the Board;
7. To prepare and to disclose a report of the Audit, Risk and Corporate Governance Committee in the Company's Annual Report. The report must be signed by the Chairman of the Audit, Risk and Corporate Governance Committee, comprising at least the following information:
 - a. an opinion on the accuracy, completeness, and creditability of the Company's financial report,
 - b. an opinion on the adequacy of the Company's internal control system,
 - c. an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws related to the business of the Company,
 - d. an opinion on the suitability of an auditor,
 - e. an opinion on the transactions that may lead to conflicts of interests,
 - f. the number of the Audit, Risk and Corporate Governance Committee meetings, and the attendance of such meetings by each committee member,
 - g. an opinion or overview comment received by the Audit, Risk and Corporate Governance Committee from its performance of duties in accordance with the charter, and
 - h. other transactions which, according to the Audit, Risk and Corporate Governance Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board;
8. To review and encourage the Company to enforce and comply with an appropriate and efficient risk management policy, as well as to oversee and monitor the Group Risk Committee;
9. In performing the duty of the Audit, Risk and Corporate Governance Committee, if there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results:
 - a. a transaction which causes a conflict of interest;
 - b. any fraud, irregularity, or material defect in an internal control system; or
 - c. an infringement of the law on securities and exchange, regulation of the Stock Exchange of Thailand, or the law relating to the business of the Company.

The Audit, Risk and Corporate Governance Committee shall report such transactions or acts to the Board for rectification within the period of time that the Audit, Risk and Corporate Governance Committee thinks fit. If the Board or management fails to make rectification within such period of time, Audit, Risk and Corporate Governance Committee members may report on such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand;
10. To investigate and report the preliminary result to the Office of the Securities and Exchange Commission and the external auditor within thirty days upon receipt of the fact from the external auditor in relation to any suspicious circumstance that the director, manager, or any person responsible for the operation of the Company commits an offense under the law on Securities and Exchange;
11. To implement and oversee the annual self-performance evaluations including reviewing the evaluation results and reporting the results to the Board on an annual basis;
12. To supervise the performance of management to strictly comply with the Company's good corporate governance policy;
13. To review the Corporate Governance Policy and Code of Corporate Conduct of the Company at least once a year;
14. To oversee the anti-corruption policy to ensure it is sufficient and appropriate for the Company's business;
15. To supervise and offer advice related to the operation concerning the Company's sustainable development;

CORPORATE AND MANAGEMENT STRUCTURE

16. To review and assess the adequacy of the Charter of the Audit, Risk and Corporate Governance Committee annually and recommend modification to the Board as needed; and
17. To perform any other acts as assigned by the Board and accepted by the Audit, Risk and Corporate Governance Committee.

In order that the duties and responsibilities of the Audit, Risk and Corporate Governance Committee can be fulfilled, the Audit, Risk and Corporate Governance Committee shall have the power to investigate related persons and matters within the scope of the authority and duty of the Audit, Risk and Corporate Governance Committee and, with the approval of the Board of Directors, shall have the power to employ or ask a specialist to provide advice and opinions as deemed appropriate by the Audit, Risk and Corporate Governance Committee.

The Term of Office

The term of office of a member of the Audit, Risk and Corporate Governance Committee shall be 2 years. A member of the Audit, Risk and Corporate Governance Committee who vacates his/her office by rotation may be re-appointed.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 3 Independent Directors of the Company as follows:

Name		Position
Dr. Jingjai	Hanchanlash	Chairman
Mr. Vudhiphol	Suriyabhivadh	Member
Mr. Thongchai	Ananthothai	Member

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment, and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expenses claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit, Risk and Corporate Governance Committee, and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefits, (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment, and bonus policies. The emoluments of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy;
10. To advise the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;

CORPORATE AND MANAGEMENT STRUCTURE

11. To review the Committee Charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee's activities and findings.

To assist the Nomination and Remuneration Committee in achieving its objectives, the Nomination and Remuneration Committee shall have the discretion to appoint appropriate third-party consultants to review existing employee-related policies, propose new employee benefit and welfare programs, and/or undertake other HR-related research and studies.

The Term of Office

The term of office of a member of the Nomination and Remuneration Committee shall be 2 years. A member of the Nomination and Remuneration Committee who vacates his/her office by rotation may be re-appointed.

Management *

Management of the Company comprised of the following members:

Name		Position
Mr. Ho	KwonPing	Chief Executive Officer
Mr. Shankar	Chandran	Managing Director
Mr. Kuan	Chiet ¹	Chief Financial Officer, Vice President, Finance & Administration, Company Secretary
Ms. Piploy	Pluemarom	Assistant Vice President, Group Human Resources
Ms. Areewan	Sriwichupong	Chief Accountant and Assistant Vice President, Finance

Remarks:

* Effective from 1 February 2015 all positions from Assistant Vice President and above are considered management of the Company in accordance with the definition of the Securities and Exchange Commission

¹ Mr. Kuan Cheit resigned as Chief Financial Officer on 15 January 2021 and was replaced by Mr. Edmund Tan Min Hai.

Head of Group Internal Audit

Mr. Teoh Tian Eng was appointed as Head of Group Internal Audit on 2 December 2020.

Mr. Teoh Tian Eng graduated from the University of Western Australia with a Bachelor of Commerce degree. He brings with him 12 years of extensive Internal Audit experience in the Real Estate industry covering the Hospitality, Retail, Commercial and Residential business sectors. The Company views that based on his experiences and knowledge, he meets the qualifications to head the internal audit function.

Company Secretary

Mr. Kuan Chiet was appointed as the Company Secretary of the Company effective from 1 December 2020 following the resolution of the Board of Directors' Meeting on 11 November 2020. The Company Secretary is responsible for preparing and maintaining the register of directors, notice and minutes of the Board of Directors' meeting, annual report, notice and minutes of the shareholders meeting, maintaining directors and management's report on interests, and performing other duties as required by the Capital Market Supervisory Board and as assigned by the Board of Directors of the Company.

Method of Appointment and Removal of Directors as Included in the Company's Articles of Association

Appointment of Directors

- (a) The number of the Board of Directors shall not be less than 5 directors and at least half of the total directors shall reside in Thailand.
- (b) Directors shall be elected in a shareholders' meeting in accordance with the following rules and procedures:
- In voting to elect directors, the votes shall be non-cumulative.
 - In voting, the shares of each shareholder shall be counted as one vote for every share.
- (c) If any vacancy occurs in the Board of Directors other than by rotation, the Board of Directors shall elect another person who is qualified and has not been prohibited by Section 68 of the Public Limited Company Act. B.E. 2535 to be a director for the next directors' meeting, except when the period of office for the vacating director is less than 2 months, it is then not necessary to appoint any new director. The appointed person shall stay in office for the remaining period of the vacating director.

The resolution of the Board of Directors for the above paragraph shall not be less than three-fourths of the remaining number of directors.

In the event where there are director positions vacant and the numbers of remaining directors are unable to form a quorum, the remaining directors shall transact on behalf of the Board of Directors only to arrange for a shareholders' meeting to appoint new directors for the vacant positions. The shareholders' meeting to appoint new directors to fill the vacant positions shall be made within 1 month from the date they became vacant.

Removal of Directors

- (a) At each Annual General Meeting, one-third of the directors shall retire from office, or if their number is not a multiple of 3, then the number nearest to one-third shall retire from office.

Directors due to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been longest in the office shall retire.

A retiring director shall be eligible for re-election.

- (b) Apart from retiring by rotation, a director position shall also be vacated upon:-
- Death
 - Resignation
 - Lack of qualification or subject to any prohibition under Articles 68 of the Public Limited Company Act B.E. 2535
 - Removal by a resolution of a shareholders' meeting
 - Removal by a court order
- (c) A director may be removed by a resolution of the shareholders' meeting passed by a vote of not less than three-fourths of the number of the shareholders who attend the meeting and are entitled to vote and the shares which voted shall not be less than half of the total shares of the shareholders who attended the meeting and are entitled to vote thereon.

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) of Laguna Resorts & Hotels Public Company Limited comprises three independent directors and has the following objectives:

1. To formulate and align HR policies and programs for senior management to business goals and market practices;
2. To attract and retain the right people for senior management positions in the Company;
3. To ensure that the Company’s senior management remuneration and benefit package remain competitive with the industry’s benchmark;
4. To advise the Board on matters relating to the composition of the Board and its committees so that the Board is able to adequately discharge its responsibilities and duties; and
5. To resolve and/or advise on any employee’s remuneration which has conflict-of-interest issues.

In the pursuit of its objectives, the NRC is empowered to perform the following functions:

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company;
2. To review and award the bonus, salary increment and incentives of the Company Chairman and his relatives who are employees of the Company;
3. To review and approve the expense claims of the Company Chairman;
4. To review and if necessary, propose changes to the remuneration of the Company’s directors serving on the Board of Directors, Audit, Risk and Corporate Governance Committee (“ARCG”) and Nomination and Remuneration Committee;
5. To review and if necessary, propose changes or additions to senior management welfare, benefits (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment and bonus policies. The emolument of individual employees shall be determined by the management of the Company;
6. To establish criteria for Board membership;
7. To formulate a standard and transparent process for the selection of directors;
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy;
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board’s policy;
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members;
11. To review the Committee charter at least once a year and recommend modifications to the Board of Directors as needed; and
12. To report to the Board of Directors on the Committee’s activities and findings.

In 2020 the NRC reviewed the NRC Charter and Nomination and Remuneration Policy, made recommendations to the Board regarding the re-nomination of those retiring directors by rotation and the remuneration for the directors and sub-committee members. Additionally, the NRC considered and recommended the amount of annual bonus and salary increment policy for the Company’s employees. Due to the adverse impact of the Covid-19 pandemic on the Company’s business, the NRC initiated a 15 percent voluntary reduction in fees for all Directors of the Board and Members of the ARCG and NRC which took effect from August 2020.



Dr. Jingjai Hanchanlash

Nomination and Remuneration Committee Chairman

15 January 2021

Remuneration Policy

Employees' Remuneration

The Group's remuneration policy is built on a transparent appraisal system and formulated to drive the performance of its employees, who are its most important asset.

The objective of the Group's remuneration policy is to attract, motivate, reward, and retain quality staff. The typical compensation package for employees comprises basic salary, variable performance bonus, allowances, as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive with the industry's benchmark, the Group periodically reviews its base salary ranges and benefits package with comparative groups in the hospitality sector.

The remuneration for the Group's senior management and senior executives aims to motivate them to achieve the Group's annual and long-term goals to ensure that they are aligned with shareholders' interests. Performance-related elements, therefore, form a part of senior management and senior executives' total remuneration.

The Group's approach to rewarding employees not only helps to attract, retain and motivate talented employees but also fosters a performance-oriented culture across the organization that will help attain the Group's financial objectives.

Directors' Remuneration

The fees for Independent Directors, Non-Executive Directors, and Directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive. Directors' fees are subject to shareholders' approval at the Annual General Meeting. In addition to directors' fees, Independent Directors and Non-Executive Directors also receive compensation in kind in terms of goods and services provided at hotels operated by the Group.

Details of the remuneration paid to directors of the Board and management in 2020 are disclosed in the Company's 2020 annual report and Form 56-1 under the section "Directors' and Management's Remuneration".

Remuneration and Other Benefits of the Directors during the Year 2020*

Name	Position	Remuneration/Other Benefits (Baht/Year)		
		The Board	Audit, Risk and Corporate Governance Committee	Nomination and Remuneration Committee
Mr. Ho KwonPing	Chairman of the Board and Chief Executive Officer	969,400 / -	- / -	- / -
Mr. Vudhiphol Suriabhivadh	Independent Director, Audit, Risk and Corporate Governance Committee Chairman and Nomination and Remuneration Committee Member	647,500 / 60,000 ¹	321,900 / -	45,000 / -
Dr. Jingjai Hanchanlash	Independent Director, Audit, Risk and Corporate Governance Committee Member and Nomination and Remuneration Committee Chairman	647,500 / 60,000 ¹	166,500 / -	87,000 / -
Mr. Thongchai Ananthothai	Independent Director, Audit, Risk and Corporate Governance Committee Member and Nomination and Remuneration Committee Member	647,500 / 60,000 ¹	166,500 / -	45,000 / -
Ms. Srinthorn Ounayakovit	Independent Director	647,500 / 60,000 ¹	- / -	- / -
Mr. Surapon Supratya	Independent Director	647,500 / 60,000 ¹	- / -	- / -
Mr. Ariel P. Vera	Non-Executive Director	647,500 / - ²	- / -	- / -
Mr. Ho KwonCjan	Director	425,500 / -	- / -	- / -
Mr. Eddy See Hock Lye	Director	425,500 / -	- / -	- / -
Mr. Ho Ren Hua	Director	425,500 / -	- / -	- / -
Mr. Shankar Chandran	Director and Managing Director	425,500 / -	- / -	- / -
Mr. Stuart David Reading	Director	425,500 / -	- / -	- / -
Ms. Ho Ren Yung ³	Non-Executive Director	472,500 / - ⁴	- / -	- / -

Remark:

* Voluntary reduction of 15% in directors' fees at the board and sub-committee levels with effect from Q2 to Q4 2020

¹ Spa and Gallery Voucher amounting to USD 2,000 (approximately Baht 60,000 per person)

² Mr. Ariel P. Vera, Non-Executive Director, did not take spa and gallery vouchers.

³ Ms. Ho Ren Yung was appointed as a new Non-Executive Director by the resolution of the 2020 Annual General Meeting on 27 April 2020.

⁴ Ms. Ho Ren Yung, Non-Executive Director, did not take spa and gallery vouchers

REMUNERATION

Directors and Management's Remuneration

Monetary Remuneration

(a) Directors

The remuneration fees of the year 2020 for each category of directors of the Board and each category of committee members of the Audit, Risk and Corporate Governance Committee (ARCG) and Nomination and Remuneration Committee (NRC) remained at the same amount and format approved by the 2019 Annual General Meeting and will continue to be in effect for each subsequent year, unless or until resolved otherwise by a general meeting of the shareholders of the Company. Details of the remuneration are shown in the following table.

Board of Directors

Position	Remuneration / Meeting / Person (Baht)	Spa & Gallery Vouchers / Year / Person
Chairman of the Board	262,000	-
Independent Director	175,000	USD 2,000 (Approximately Baht 60,000)
Non-Executive Director	175,000	USD 2,000 (Approximately Baht 60,000)
Director	115,000	-

Audit, Risk and Corporate Governance Committee and Nomination and Remuneration Committee

Position	Remuneration / Meeting / Person (Baht)
Chairman	87,000
Member	45,000

Monetary remuneration for the Directors and Sub-Committee Members in 2020 was in the total amount of Baht 8,286,300. Directors of LRH are not paid director fees by any of LRH's subsidiary companies.

Details as shown in the above section, "Remuneration and Other Benefits of the Directors during the Year 2020".

(b) Management

Monetary remuneration for the top 7 management in 2020 amounted to Baht 22,176,128 consisting of salaries, bonus, housing allowance, social security payment, provident fund payment, tax paid by the Company, children education subsidy, medical expenses, etc.

Non-Monetary Remuneration

(a) Directors

Benefits in the form of spa and gallery vouchers for the Independent Directors and Non-Executive Directors in 2020 were in the total amount of Baht 300,000.

Details as shown in the above section, "Remuneration and Other Benefits of the Directors during the Year 2020".

(b) Management

Employee benefits such as personal accident and health insurance and complimentary vouchers, etc., for the top 7 management in 2020 were in the total amount of Baht 968,415.

Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the organization to protect and enhance long-term shareholder value. The Company has adopted and is continuously developing a set of good corporate governance practices and policies that are modeled on principles advocated by the SET as per the details set out in the following sections. Additionally, the Company has put in place a Code of Corporate Conduct approved by the Board of Directors and Standard Operating Procedures which have been communicated throughout the organization and publicized the Corporate Governance Policy and Code of Corporate Conduct via the Company's website for all employees at all level to better understand and use as working guidelines and strictly follow in the course of performing their duties. As and when required, new internal rules and regulations are introduced to ensure there are no gaps in the policies.

The Board of Directors has acknowledged and reviewed the implementation of the Corporate Governance Code for Listed Companies 2017 published by the Securities and Exchange Commission to update the Company's corporate governance. In 2019, the Company has established the Corporate Governance Policy which has been considered and recommended by the Audit and Risk Committee (currently known as Audit, Risk and Corporate Governance Committee) and approved by the Board of Directors to benefit its business to have good long-term performance and create value for sustainable business. The Board of Directors has annually reviewed the Corporate Governance Policy for the improvement of good corporate governance. For any principle which has yet to be implemented, the Board of Directors has assigned the management to study in detail for further consideration.

1. Rights of Shareholders

The Company recognizes the importance of shareholders' rights. In the Company's Annual General Meeting held on 27 April, 2020 the Company conducted the meeting in full compliance with all relevant laws and regulations in respect of shareholders' rights in the following manner.

- 1.1 All shareholders have the same basis and rights in the casting of votes at the meetings and the receipt of dividends when declared by the Company. These are calculated based on their respective shareholding in the Company.
- 1.2 At shareholders' meetings, shareholders are given the right to approve important matters such as the election of directors (shareholders can elect directors individually), directors' remuneration, the appointment of auditors and dividend payment, etc.

Furthermore, shareholders who arrive at the meeting after the meeting has begun are still entitled to vote on the agenda items that are still under consideration and have not been voted upon.

- 1.3 The Company has a policy to facilitate and encourage all groups of shareholders including institutional shareholders to attend the Company's Annual General Meeting such as allowing every shareholder to propose agenda or send questions related to the Company's business in advance, distributing a package containing the notice and meeting documents in English to foreign shareholders, selecting meeting venue that is convenient for attendance, etc.
- 1.4 The Company invites shareholders to propose agenda items in advance of the AGM through the SET and the Company's website (www.lagunaresorts.com). However, none have been proposed by the shareholders.

The Company provides the opportunity for a shareholder or shareholders who hold shares of the Company representing at least 5 percent of the total voting rights of the Company to propose an AGM agenda item in advance within

30 days before the end of the accounting period. The Audit, Risk and Corporate Governance Committee shall review the proposed agenda item and express its opinion to the Board of Directors for consideration. The proposed agenda item deemed to qualify by the Board of Directors shall be included in the AGM agenda. In the event that the proposed agenda item is deemed not to qualify by the Board of Directors, it shall be announced with reasons at the AGM.

The Company provides channels for minority shareholders to make suggestions, express their opinions or make a complaint by sending the original duly signed statement together with supporting evidence to the Company Secretary by registered mail to the Company's address or by phone +66 2677 4455.

- 1.5 The Company does not invite the minority shareholders to nominate their candidates to be appointed as the Company's directors ahead of the meeting. This is because the Company already allows all shareholders to nominate their candidates (who meet the requirements under the Plc Act) and to vote for candidates at the shareholders' meeting.
- 1.6 Through the Thailand Securities Depository Company Limited, the Company's share registrar, the Company sends out a package containing the notice and agenda of the meeting to the shareholders at least 21 days before the meeting (the package for 2020 AGM was sent 10 days in advance which is later than usual due to the impact of Covid-19 pandemic). The meeting documents include the facts, rationales, and opinions of the Board as well as other information relating to the agenda items such as information on the persons nominated for election as directors, auditors' profiles, the part of the Company's Articles of Association that relates to the shareholders' meeting, map showing the venue of the shareholders' meeting, proxy forms, documents and evidence of entitlement to attend the meeting, etc. This is to enable the shareholders to prepare themselves for the meeting. In addition, the notice of the shareholders' meeting is advertised in the newspaper and all information contained in the meeting documents will also be posted on the Company's website (www.lagunaresorts.com) at least 30 days before the meeting (the meeting documents for the 2020 AGM were posted on the Company's website 19 days in advance which is later than usual due to the impact of Covid-19 pandemic). Moreover, shareholders are always invited to register at least 1 hour before the meeting begins.

For convenience, transparency, and accuracy of the registration and vote counting at the shareholders' meeting, a barcode system is used.

- 1.7 At every shareholders' meeting, all agenda items are clearly identified and particularized, objectives, and rationale and opinions of the Board are also presented in the meeting for consideration of the shareholders. The Chairman will conduct the meeting according to the sequence of the agenda and will not add any additional agenda items which are not indicated in advance in the notice unless there is a proposal to consider other matters other than those specified in the notice, in accordance with the law, from shareholders holding not less than one-third of the total number of shares issued.

No additional agenda item was proposed to the 2020 Annual General Meeting other than those specified in the notice.

- 1.8 Before the start of every shareholders' meeting, the Company Secretary will explain the voting methodology to shareholders. In the interest of good corporate governance regarding transparency, minority shareholders are also invited to witness vote counting of each agenda item. A team of legal counsels from a leading international law firm is appointed to verify the registration procedure before the Chairman of the meeting announces to the shareholders, the number of shareholders and proxy holders present at the meeting and the number of shares held by them. The legal counsels also verify the vote-counting procedure in respect of each agenda item before the votes are announced as the resolution of the shareholders' meeting. Shareholders may verify the detailed results of the vote of each agenda item at the end of each meeting. The same results and a summary of questions from shareholders will also be included in the minutes of the meeting which are accurately and completely documented in all material aspects and will be sent to

all shareholders for their review before the following meeting. The minutes of the 2020 Annual General Meeting is posted on the Company's website (www.lagunaresorts.com) within 14 days after the meeting was held.

- 1.9 The Company's policy in conducting shareholders' meetings is not only to meet all legal requirements but to also provide a platform and opportunity for shareholders to communicate their views and ask the directors and management questions regarding matters affecting the Company. The Chairman allocates sufficient time for the meeting and conducts the meeting in an appropriate and transparent manner. During the meeting, shareholders are allowed to give comments and ask questions before the resolution on each agenda item. In addition, shareholders who have any questions that require the Company's clarification during the meeting may send their questions in advance at "ir@lagunaresorts.com" or fax them to 66 (0) 2285 0733.
- 1.10 Apart from the external auditor who will attend the Annual General Meeting, the Chairman of the Board, the Chairman of the Audit, Risk and Corporate Governance Committee, and the Chairman of the Nomination and Remuneration Committee and all of the Company's directors will endeavor to be present at the shareholders' meeting to assist the Board in addressing queries raised by the shareholders. The Company also invites its legal counsels from a leading international law firm to attend the meeting in case there are any legal questions that require clarification during the meeting. Furthermore, the Company provides a professional translator to be present at the meeting to assist shareholders and the Board to communicate more effectively in English and Thai. At the 2020 Annual General Meeting, the Chairman of the Board, the Chairman of the Audit, Risk and Corporate Governance Committee, the Chairman of the Nomination and Remuneration Committee, and other directors were present at the Meeting in person and via electronic media. Details of their names are stated in the minutes of the 2020 Annual General Meeting.
- 1.11 The Company gives an opportunity for shareholders to freely communicate with each other without creating any barriers and also provides convenient access to relevant news and information via the Company's website (www.lagunaresorts.com) for shareholders to receive adequate important information such as the resolutions of the Company's Board of Directors on important matters, resolutions of the shareholders' meetings, financial information, information which may affect the Company's share price, Annual Report, etc.
- 1.12 The Company received a score of 94.50 points out of 100 points for the 2020 AGM Checklist assessment conducted by the Thai Investors Association. The Company will continue to strive to improve its good corporate governance practices.

2. Equal Treatment of Shareholders

The Company treats all shareholders fairly despite different shareholding proportions and voting power due to their shares. In recognition of its duty to ensure equal treatment of shareholders, the Company complied with all relevant laws and regulations as follows:

- 2.1 The Company has only one class of shares, the ordinary shares. Shareholders shall have votes equal to the number of shares held by each of them, which means one share is entitled to one vote.
- 2.2 For shareholders who are unable to attend a meeting in person, the Company provides the opportunity for such shareholders to appoint another person as a proxy to attend the meeting on their behalf by using a proxy form B sent by the Company. The Proxy form B is one of the forms prescribed by the Ministry of Commerce which allows shareholders to make voting directions. Moreover, the Company provides the opportunity for shareholders to appoint the Company's independent director as a proxy to undertake proxy voting on behalf of shareholders who are unable to attend the meeting. The name of the independent director is provided in the proxy forms, together with the profile of

CORPORATE GOVERNANCE

that independent director who has been given the proxy to vote on behalf of shareholders who are unable to attend the meeting, all of which are attached as part of the meeting documents.

- 2.3 The Company ensures that directors and management are aware of their duty to report a change in their holding of the Company's securities to the SEC within 3 business days in accordance with the Securities and Exchange Act. The securities holding report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 2.4 Any director or management who has an interest in, or is related to, any transaction between the Company and an interested or related person will not participate in the decision-making process involving such transaction. The Company has disclosed the details and reasonableness of transaction to shareholders before dealing with any transaction in case such transaction requires approval from shareholders and strictly follows the procedures on such transaction under the notification of the Capital Market Supervisory Board. The details of all connected transactions are disclosed under the heading "Related Party Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

During 2020, there is no report of non-compliance with the notification of the Capital Market Supervisory Board on connected transactions.

- 2.5 The Company has formulated a Corporate Governance Policy and Code of Corporate Conduct to provide guidelines for the Board, senior management, and employees of all levels to comply with. The Statement includes the prohibition on the improper use of insider information for personal benefit or to benefit others. Additionally, the Board approved a policy on dealing in securities of the Company which prohibits the dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "Embargo Period." Details are further described under the heading "Supervision on the Use of Inside Information" in the Form 56-1 and the Company's Annual Report. There is no violation of the policy found during the past year.
- 2.6 Apart from the credit term payment given under the normal course of business, the Company has no policy on providing financial assistance to any non-subsidiary companies except those whose loans or guarantees are in accordance with the proportion of shareholding in a joint venture agreement

3. Role of Stakeholders

In its pursuit of sustainable growth and financial returns for its shareholders, the Company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules, and regulations.

Shareholders:

The Board of Directors is committed to performing its duties honestly, transparently, and diligently in the best interest of all its shareholders, to preserve and enhance long-term shareholder value. All important information that may have an impact on the Company's share price and/or shareholders' decisions are fully disclosed in a timely manner.

Employees:

Being in the hospitality industry, the Company believes that its people are its greatest asset. The Company has taken steps to

ensure that all labour laws are complied with and all employees are treated fairly without discrimination or favoritism. The Company offers competitive pay packages and welfare benefits such as meal allowance, laundry allowance, complimentary vouchers, and health & personal accident insurance to all its employees with continually upgraded programs. Additionally, the Company provides its employees a safe, hygienic and conducive working environment, air-conditioned buses, and provident fund.

People Development Policy

The Company believes that the growth of the Company depends on the quality and efficiency of employees. As such, the employee development policy mainly focuses on the knowledge and skills development of employees at all levels to strengthen the enterprise and overall success of the Company. The Company intends to have all management and employees set their working plan following the Company's direction and goals, based on Company's Vision, which can efficiently lead the operations towards the same direction. Each department sets up its own business strategy and business plan so employees can have clear objectives and individual KPIs (Key Performance Indicators) that support the Company's Operations and their responsibilities. The KPIs will be used as a standard to evaluate employee's performance.

Training is divided into 2 categories;

- 1) Compulsory training which is the Company tailored for each position/employee such as new employee orientation and anti-corruption policy
- 2) Career training is a special course. Employees can apply for, including outsourced institutions, for a specific development.

Training is one of the Key Performance Indicators (KPIs) and will be used for employee evaluation standards. Each employee is evaluated during the fourth quarter of every year.

New Employee Orientation

All new employees shall attend orientation training which is aimed to introduce new employees to the rules and regulations in the workplaces, the organization's policies and products, and the location of each hotel/BU, to prepare them to work with other employees.

Anti-Corruption Policy

All employees shall attend Anti-Corruption policy training annually. The purpose of the training is to provide associates with practical information on preventive anti-corruption activities through guided discussions.

Knowledge/Skills Development

The Company assigns the development process by having training courses to increase employee's knowledge and ability such as;

- Intensive Supervisory Leadership for Middle management
- Tax Knowledge for Accounting and Human Resources
- Finance for Non-Finance
- Train the trainer
- Relationship with customer

People Development to Support the Growth and Expansion of the Company

For the staff development to support the growth and expansion of the Company, there is the Succession Plan for the managerial level up. This is to prepare them to be ready for the next position and long-term expansion of the Company. Furthermore, high potential middle Management and Assistant Manager employees are selected to participate in the Management Development Program (MDP) and Talent Management Program respectively, to prepare them for promotion opportunities.

For talent development, the Company also has the Management Trainee Program to develop new graduates to grow in the management level in the future. In the first year, they are assigned to experience every department to gain operational knowledge and skills. They are also expected to submit their report with their findings and alternative solutions to the executive team. In the second year, they are promoted to be permanent staff at their sponsored hotel and further developed to be middle and top management accordingly.

Customers:

The Company aims to conduct business, both in property development, sales of products, and services, in a safe and environmental-friendly manner and continuously develop products and services, innovate to add more value to the products, and respond to the customers' needs. Safeguarding customer confidentiality and/or customer privacy is one of the Company's top priorities and in this regard, the Company conducts business with integrity, honesty, and fairness, and does not take any action that would violate customer rights and refrain from abusing it for personal interest or the interest of other parties.

The Company will strictly comply with the trading agreements, if any particular condition cannot be met, the Company would notify the customers in advance, and jointly seek a resolution to prevent any possible damage.

Competitors:

The Company believes that competition is the essence of a free and open market and therefore avoids any actions which may prevent, obstruct or discourage potential competitors from entering the markets in which the Company operates in. The Company takes the view that healthy competition encourages product and service innovations in the market place which would increase market standards and ultimately benefit consumers and society at large. The Company will neither engage in any fraudulent activity to violate or obtain competitors' trade secrets nor in any infringement of intellectual property or copyright including corruption and bribery, which has been stipulated in the Code of Corporate Conduct approved by the Company's Board of Directors, for the benefit of the Company's business.

Society & Environment:

The Company emphasized and aims to be a socially responsible company and has established a dedicated team of CSR and Community Relations practitioners who strive to make a positive difference to the local communities where the Company operates and to develop sustainable communities by initiating various CSR programs which focus on social and educational development, environmental conservation, religious and cultural preservation, associate benefits and relations, details as shown under the heading "CSR" in Form 56-1 and in the Company's Annual Report as well as in the Company's website (www.lagunaresorts.com).

Green Leaf Awards received by the individual hotels reflect recognition of Laguna Phuket's commitment to conserving the environment. In property development, the Environmental Impact Assessment (EIA) has been carried out to evaluate the likely

environmental impacts of the Company's development projects, taking into account inter-related socio-economic, cultural, and human-health impacts, both beneficial and adverse including proposed measures for shaping projects to suit the local environment and reducing any potential impact. The Company encourages and supports the staff to use resources efficiently. Day-to-day operations at the resort apply the "Three Rs" of green management: Reduce, Re-use and Recycle. Each hotel has a staff education program to teach the importance of caring for the environment, and consumption of energy and water is closely monitored through the extensive checklists to be completed by the staff. No raw sewerage is discharged into the sea from the resort complex. After being treated, sewerage and wastewater are directed into a sophisticated recycling system. The resulting water is used to irrigate the gardens, details as shown under the heading of "CSR/Environmental Policy" on the Company's website (www.lagunaresorts.com).

Suppliers:

The Company strives to forge long-term business relationships with its suppliers and therefore has the policy to always give a fair profit to its suppliers and to respect payment terms and conditions. Besides, the Company has a policy in selecting its suppliers fairly and transparently, competitive quotations from at least 3 suppliers are required according to the criteria specified in the Company's Standard Operating Procedures which have been distributed and communicated throughout the organization to understand and to strictly adhere to the procedures accordingly.

Creditors:

The Company considers creditors as important business partners and therefore aims to treat all creditors in an equal and fair manner and strictly comply with all the terms and conditions agreed upon, particularly on credit guarantee, and capital management. The Company's financial position will be duly and accurately disclosed. In the event that any particular condition cannot be met or in case of debt default, the Company will inform creditors concerned beforehand and seek a mutually acceptable solution to prevent any possible damage. In the previous year, no creditors challenged that the Company had failed to comply with any obligations.

There is no violation of laws and regulations regarding labour, employment, consumer protection, commercial competition, and the environment in the previous year.

Policy and Practice Relating to the Control and Prevention of Corruption Involvement

The Company is committed to conducting its business with integrity, transparency, morality, and accountability. The Company adheres to the principles of the Corporate Governance Code and conducts its business responsibly towards society and its stakeholders. Apart from the Corporate Governance Policy and Code of Corporate Conduct, the Company has established the Anti-Corruption Policy which was proposed to the Audit, Risk and Corporate Governance Committee for recommendation before being submitted to the Board of Directors for approval to promote anti-bribery and anti-corruption practices and to be a clear guideline for business operations.

The Company has adopted a zero-tolerance policy towards corruption for directors, management, and employees of the Company to strictly follow. The policy forbids them to carry out or participate in corrupt practices in any form both directly and indirectly and they must seriously follow the guidelines in the Anti-Corruption Policy which covers various processes, including charitable contribution, sponsorship, and the provision and acceptance of gifts.

The Company communicated its Anti-Corruption Policy to business partners and the public through its website and notice board for them to acknowledge and conform to the Company's guidelines. In order to understand as well as to promote anti-bribery and

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anti-corruption practices and serve as clear guidelines for all employees, training will be scheduled annually. During orientation, new employees are required to sign the Associate Declaration Form to confirm their intention to fully comply with the Company's Code of Corporate Conduct and Anti-Corruption Policy and all employees are required to sign the same every year.

The Company has put in place a risk management system suitable to the Company's business nature and implemented a risk assessment procedure, which includes internal compliance and control program to monitor and prevent possible risks including corrupt practices. As part of the on-going risk management process, the Company's Group Risk Committee in collaboration with Group Internal Audit regularly conducts risk monitoring, assessments, evaluations, and proposes a control program to prevent and mitigate possible risk and reports findings to the Audit, Risk and Corporate Governance Committee. The Audit, Risk and Corporate Governance Committee is responsible for overseeing and reviewing strategic and operational risk management including risk assessment and control procedures as well as seeking to ensure that the Company has a continuous process for managing risk, appropriate and effective internal control, and internal audit systems.

Seeing the long-term benefits to operate business ethically with integrity, and implementing business principles to encounter corruption, the Company has declared an intent to fight corruption by a declaration of intent with Thailand Private Sector Collective Action Coalition Against Corruption (CAC). The Company is proud to announce it is a certified member of CAC since February 2019 after putting in place all necessary anti-corruption policies and measures under the stringent guidelines of the CAC.

The Company announced the "No Gift Policy" during new year festivals and other occasions in compliance with the Good Corporate Governance Policy and Anti-Corruption Policy regarding the provision and acceptance of gifts by employees at all levels. A letter on "No Gift Policy" was distributed to the Company's business partners to ask for their cooperation not to offer any kinds of gifts to the management and employees of the Company. In case it is inconvenient to return gifts, the Company will consider donating them to charitable entities or social projects as deemed appropriate.

Failure to comply with the Anti-Corruption Policy or any employee who is caught committing corruption shall be disciplined under the Company's policies including termination of employment. A criminal/civil case may also be brought upon such an employee if the act violates the law.

There is no report of wrongful conduct involving fraud and corruption during the past year.

Policy on Whistle Blowing and Complaints

The Company recognizes the importance of compliance with good corporate governance and adheres to the high standards of conduct and responsibility for all stakeholders. The Whistle-Blowing Policy has been established and approved by the Board of Directors and communicated throughout the organization. The policy emphasizes to encourage and enable associates and third parties to raise any serious concerns on wrongdoing, irregularity, or impropriety within the Group. The Head of Group Internal Audit was appointed as the Receiving Officer or a channel for stakeholders to communicate critical corporate issues with the Company, any concerns can be raised either in writing via "ethics@lagunaresorts.com" or directly by hotline number 66 (0) 2285 0112. The Receiving Officer will ensure that the report from the whistleblowers will be professionally and independently addressed, assessed, and investigated. Additionally, the Whistle Blowing Evaluation Team, comprising of members of Audit, Risk and Corporate Governance Committee and Head of Group Internal Audit, was set up to evaluate the reports from whistleblowers to assess and review the nature of the complaints, and set the direction of the investigation, where necessary. An appropriate timeframe to consider the complaints is set and the protection of the genuine whistleblowers from any unfair treatment will be observed. If at the conclusion of an investigation, the Company determines that a violation has occurred or the allegations are substantiated, effective remedial action commensurate with

the severity of the offense will be taken. Results and conclusions of the investigation shall be reported to the Board of Directors. There is no report of complaints or allegations during the past year.

Policy on Environmental and Social Sustainability

The Company is committed to strive towards achieving environmental and social sustainability. With the participation in the EarthCheck program, which is widely regarded as the world's leading sustainable environmental benchmarking and certification program used by the travel and tourism industry, the Company is committed to continually improve its environmental and social sustainability performance by implementing an environmental management system, identifying environmental risks, recording and monitoring any impact to meet the standard of EarthCheck and will comply with all relevant legislation and regulations, and strive to achieve international best practice. The Company was certified to environmental standards and has been awarded EarthCheck Gold Certification in December 2020.

The Company has constantly provided an environmental training session for employees to raise awareness about environmental sustainability. A risk assessment on potential environmental impacts resulting from the Company's business operation has been conducted and an environmental approach has been established and communicated throughout the organization by posting on the intranet and bulletin board so that all employees understand the policy and contribute to environmental sustainability.

Since 2017, the Company together with hotels in Laguna Phuket jointly announced the Environmental & Social Sustainability Policy with the commitment to continually improve their environmental and social sustainability performance and annual Benchmarking as measured by the EarthCheck tool. As a part of the Laguna Phuket Community, they continue to work on environmental and social development projects by safeguarding the natural environment, the cultural heritage, and promoting communal prosperity through participation in Laguna Phuket Community's Corporate Social Responsibility programs such as carbon reduction through tree planting, providing mentoring and scholarships to the youth in the community, cleaning activity, considering special employment and empowering local employees and using local products and services that are environmentally friendly, etc.

Policy on Health, Safety and Environment

The Company has a concrete policy in regards to health, safety, and the environment which gives top priority to the safety and health of the surrounding community and overall society. Realizing that it is a contributing factor in driving sustainable development of society and the environment, the Company continuously carries out community and social development activities together with its business operations with responsibility toward the overall community and society as per the following details:

1. Continuously perform business operations in compliance with safety law and other related regulations.
2. Safety at the workplace shall be treated as a top priority and responsibility of every employee.
3. Every level of managers must be a good role model and be able to lead, train, instruct and motivate other employees to perform duties safely.
4. All employees must take into account their personal safety as well as the safety of their colleagues and properties of the Company as their topmost priority while on duty.

5. All employees must always maintain cleanliness and order in their workplace.
6. Supporting safety-related activities to raise safety awareness among employees and promote a safe work environment.
7. Continuously review, improve and develop the safety management system.
8. Seeking solutions to minimize environmental impact by constantly checking, monitoring, and controlling the amount of pollutions released including the disposal of hazardous and non-hazardous waste to protect existing natural resources.
9. Using the available resources and energy in the most efficient manner, including minimising water and air pollutions as well as wastes and other pollutions that arise from the Company's business activities to ensure minimal impact on the environment and surrounding community.

- **First Aid Supporting Team (FAST)**

The Company has selected potential employees from various departments as well as from hotels to be in the FAST to administer medical help in an emergency. Training curriculum is put together by the Bangkok Phuket Hospital and employees receive training periodically to maintain the level of competency to help guests and employees found to have illness or accident in the hotel and workplace.

- **Exercise Evacuation Tsunami in Phuket.**

The Company has many employees working in offices and hotels in Phuket. Tsunami Evacuation drills are practiced every year. The main objectives are to enhance the knowledge, skills and expertise in evacuating staff and guests, help victims, practice the order of command, and the testing of tools and equipment.

Policy on Respecting Human Rights

The Company gives importance to respecting human rights by conducting business in compliance with laws and human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against race, nationality, color, gender, religion, age, language, personal status, social value, education or political opinion.

The Company provides equal opportunity to all employees in working under the rules, regulations, notifications, and orders of the Company. The Company treats the employees' personal information confidentially and shall neither send nor distribute such information to any irrelevant person nor disclose personal information without the consent of the owner. The Company also supports and respects the protection of human rights by not violating any human rights such as forced labor, unfair dismissal, and the use of child labor. There were no complaints about the unfair treatment of employees in the past year.

Policy on Preventing Violation of Intellectual Property or Copyright

The Company has established a policy and practice not to support any violation of intellectual property or copyright, which has been stipulated in the Code of Corporate Conduct such as using licensed computer software, programs authorized by the copyright owners, and restricting computer program installation by authorized person only. The use of computers and information technology will be monitored periodically by the Group Internal Auditor. There is no violation of intellectual property or copyright found in the past year.

IT Risk Management

The Company is committed to operating its business without disruptions and safeguarding the Company and customer's information. Therefore, information technology is important in managing the following:

- Using the most up to date firewalls to secure the company network
- Locating the server room in a secure place and equipping it with an FM200 fire extinguisher
- Adopting the latest version of IT systems on all computers and servers.

The Company manages IT-related disaster risks by setting up a data backup and recovery system that can reinstall the IT system in a timely manner to ensure continuity of business operations in the event of viruses, trojans, malware, fraudulent email, or hacker attacks.

Each year, the Company reviews and practices its Business Continuity Plan (BCM) and Disaster Recovery Plan (DRP) to prepare the IT system for risks and crises that may occur. In addition, the internal auditor monitors compliance with the risk mitigation measures to ensure that the Company's risk is acceptable and manageable.

IT Governance Policy

IT Governance Policies and Procedures have been developed and communicated to all employees of the Company to comply with the Company's corporate governance regulations. Some of these policies include,

- Use of non-infringement software only.
- The use of computers and the internet must not cause any risk, data corruption and the computer system of the Company.
- Safeguarding the Company and its customers' data to prevent data leakage.
- Computer and internet usage must comply with the Computer-Related Crime Act.
- Data access level control – password and data retention can be verified backward.

Application development and environmental responsibility.

Environmental responsibility is an issue that the Company places great importance on. The Company has developed online application software systems, such as Purchasing Online, Member Online, and Leave online to reduce the amount of paper used in the Company and to also increase efficiency and productivity of our employees.

4. Information Disclosure and Transparency

The Company's emphasis on the disclosure of accurate and complete information in a transparent and timely manner is shown by the following.

- 4.1 Each of the directors and executives of the Company has filed with the Company a report covering his interest or his related person's interest in relation to the Company or its subsidiaries in accordance with the criteria and procedures as specified in the notification of the Capital Market Supervisory Board, and has updated and filed with the Company within 30 days should there be any change in the report. The report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.

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- 4.2 In the previous year, the Company disclosed all general and financial information as well as information that may affect the price of the Company's securities correctly, completely, transparently, and in a timely manner, following the rules and regulations of the SEC and the SET. All information is communicated to investors, shareholders, and relevant sectors through the channels of the SET and the Company's website (www.lagunaresorts.com).
- 4.3 Individual investors, shareholders, stock analysts, and state agencies may contact the Company through the Company Secretary at telephone number 66 (0) 2677 4455 or at "ir@lagunaresorts.com".
- 4.4 The Company's financial statements contain accurate and complete information and are prepared following generally accepted accounting standards. Also, they are audited/reviewed by auditors from a well-known auditing firm approved by the Securities and Exchange Commission (currently EY Office Limited) and are approved by the Company's Audit, Risk and Corporate Governance Committee and Board before being disclosed through the SET. The information relating to the "Board of Directors' Responsibility for the Company's Financial Statements" is available in the Company's Annual Report. In 2020, the Company's quarterly and annual financial statements were unconditionally certified by the auditor.
- 4.5 The Company wishes to refer the following matters to the disclosure made in other places:
- The name of directors and the scope of the powers, duties, and responsibilities of the Board and other committees are detailed under the heading "Management Structure" in Form 56-1 and the Company's Annual Report.
 - The professional experience of the directors, members of other committees, Head of Group Internal Audit and Company Secretary is detailed in Attachment 1 to Form 56-1 and under the heading "Board of Directors Management, Head of Group Internal Audit and Company Secretary of the Company" in the Company's Annual Report.
 - The number of Board meetings held and the number of Board meetings attended by each director in 2020 are detailed in clause 5 under "Board Responsibility" hereof.
 - The performance of the Audit, Risk and Corporate Governance Committee in the past year are detailed in Attachment 4 to Form 56-1, and under the heading "Report of the Audit, Risk and Corporate Governance Committee" in the Company's Annual Report.
 - The performance of the Nomination and Remuneration Committee in the past year are detailed in Attachment 5 to Form 56-1 or under the heading "Report of the Nomination and Remuneration Committee" in the Company's Annual Report.
 - The remuneration for directors and management is detailed under the heading "Directors' and Management's Remuneration" in Form 56-1 and the Company's Annual Report.
- 4.6 In 2020, the Company made full disclosure of information within the time frame specified in the regulations of the SET and the SEC. In addition, neither the SET nor the SEC challenged that the Company had failed to comply with any disclosure requirement.

5. Board Responsibility

5.1 Board Structure

5.1.1 Members of the Board and Terms of Directorship

The Company's Board of Directors currently comprises 13 members, 5 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Dr. Jingjai Hanchanlash, Mr. Thongchai Ananthothai, Ms. Srinthorn Ounayakovit and Mr. Surapon Supratya, representing more than one-third of the total Board members.

The Board members are selected based on, among other things, knowledge, experience, skill, diversity of expertise, integrity, abilities to make independent analytical inquiries, and their understanding of the Company's business. Currently, the Board comprises business leaders and professionals with financial, accounting, legal, business management, and sales & marketing backgrounds.

Directors and senior management of the Company have never been an employee or partner of the current external auditor in the past 2 years.

All independent directors of the Company are independent of management and major/substantial shareholders and meet the Company's definition of Independent Director which also in line with the qualification of Audit Committee in accordance with the notification of the Capital Market Supervisory Board.

The Company's directors are knowledgeable, competent, honest, ethical and have sufficient time to devote themselves to serve the Company. There are no independent directors of the Company who serve on more than five boards of listed companies and no executive directors who serve on more than three boards of listed companies outside of the Group.

The Company's policy to fix the term of office of directors is under Article 14 of the Company's Articles of Association which stipulates that at each annual general meeting, one-third of directors shall retire from office and that the director who has been longest in the office shall retire. Therefore, the term of office of a director of the Board shall be 3 years. Retiring directors would be eligible for re-election.

The independent directors have no affiliations or business relationships with the Company and are not directly associated with a shareholder of the Company, nor do any relationships or circumstances exist which are likely to, or could appear to, interfere with the exercise of their independent business judgment with a view to the best interest of the Company.

5.1.2 Definition of "Independent Director"

"Independent Directors" means the persons who have all the necessary qualifications and independence which is in line and more stringent than the criteria set by the Capital Market Supervisory Board. At present, the said criteria prescribe that the qualifications of an Independent Director are as follows:

- (a) holding not exceeding 0.75 percent of the total voting shares of the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, including shares held by the connected persons of such independent director;

- (b) neither being nor having been an executive director, employee, staff, advisor who receives a salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment. Such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company;
- (c) not being a person who is related by blood or registration under laws, such as father, mother, spouse, sibling and child, including the spouse of a child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary;
- (d) not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person in a manner that may interfere with his/her independent judgment, and neither being nor having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless the foregoing relationships have ended not less than two years prior to the date of appointment.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transactions relating to assets or services or grant or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his/her counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million baht or more, whichever amount is lower. The amount of such indebtedness shall be in accordance with the method for calculating the value of connected party transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The combination of such indebtedness shall include the indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (e) neither being nor having been an auditor of the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
- (f) neither being nor having been any professional advisor including legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the professional advisor, unless the foregoing relationship has ended for not less than two years prior to the date of the appointment;
- (g) not being a director who is appointed as the representative of the Company's directors, major shareholder, or shareholder who is a connected person of the Company's major shareholder;

- (h) not operate any business which has the same nature as and is in significant competition with the business of the Company or its subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, advisor earning regular monthly salary, or not holding shares exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary;
- (i) not having any other characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under (a) to (i) of the first paragraph, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, providing that such decision shall be in the form of collective decision.

5.1.3 Consecutive Terms of Office of an Independent Director

When independent directors are due to retire by rotation, the Board of Directors may nominate their names to be re-elected at the Annual General Meeting of Shareholders as deemed fit.

The Company has yet stipulated a limitation on the consecutive directorship terms of office for independent directors, as the Company's independent directors are qualified according to the definition specified by the SEC and the Company. They also have the knowledge and good understanding of the Company's business and are able to provide opinions independently in Board of Directors' meetings and Sub-committees' meetings.

5.1.4 Roles of the Chairman of the Board

- Summoning meeting for Board and presiding over the meeting. In making a decision, the Chairman has a deciding or casting vote in the event of tied votes.
- Setting Board meeting agenda in consultation with the Chief Executive Officer / Managing Director, Chairman of the Audit, Risk and Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee and ensuring that Board members receive accurate, complete, timely, and clear information prior to the meeting to assist their decision-making process.
- Conducting the Board meeting according to the agenda, relevant laws, and good corporate governance, allocating sufficient time and encouraging all directors to participate in the discussion, exercise their discretion prudently, and express their opinions freely.
- Overseeing and ensuring that the Board of Directors and the Sub-Committees effectively carry out their duties to achieve the Company's objectives.
- Promoting constructive relations between executive and non-executive directors, and between the Board and the management.
- Ensure that all directors contribute to the Company's ethical culture and good corporate governance.

5.1.5 Duties and Responsibilities of the Chief Executive Officer / Managing Director

- To be in charge of the daily business operations of the Company, supervise and manage the works and operations of the Company for complying with the policy, vision, mission, values, strategy, and goals, both in terms of financial and non-financial, as well as to drive the business plan to achieve the financial budget as approved by the Board of Directors;
- To employ, appoint, transfer, dismiss, and terminate employees in all levels, except the appointment, transfer, and dismissal of the Head of Group Internal Audit, which shall also be approved by the Audit, Risk and Corporate Governance Committee;
- To determine the salary and remuneration, adjust the salary, bonus, reward, and welfare of all employees of the Company, including the senior management in correspondence with the remuneration mechanism and welfare as approved by the Nomination and Remuneration Committee;
- To issue internal orders, policies, announcements, and memos to ensure that the operations of the Company comply with the policy and the interest of the Company, including the maintenance of organizational discipline;
- To perform other tasks as assigned by the Board of Directors and to perform any other acts as stipulated by laws and regulations of the authorities.

5.1.6 Aggregation or Separation of Positions - Chairman of the Board and Chief Executive Officer

Currently, Mr. Ho KwonPing is the Chairman of the Board and the Chief Executive Officer of the Company. He is closely associated with the Group's success. The current board structure maintains an appropriate check and balance system because half of the Board members are non-executive directors. The Board is of the view that the current structure is appropriate and adequate given that Mr. Ho KwonPing has been able to effectively and competently execute the responsibilities of both the Chairman of the Board and Chief Executive Officer positions.

To support the balance of power between the Board of Directors and the Management, prior to the Board of Directors' meeting the Audit, Risk and Corporate Governance Committee Chairman and the Nomination and Remuneration Committee Chairman, who are the independent directors, has participated in determining the agenda of the Board of Directors' meeting.

5.1.7 Separation of Power, Duties, and Responsibilities of the Board of Directors and the Management

The Company has a management structure that clearly defines the separation of power, duties, and responsibilities of the Board of Directors and the Management. The Board of Directors, as the policy supervisor, has the duties to define the Company's vision, mission, values, strategy, and long-term goals, including overseeing monitoring, and evaluating the performance of the Management. Management, as the executives, has the duties to perform day-to-day operations to be efficient, effective and in compliance with the defined policies, vision, mission, values, strategy, and long-term goals and report its performance to the Board of Directors regularly.

The delegation of authority by the Board to the management is clear. All major investments, acquisition of assets, and loans made by the Company and/or its subsidiaries require approvals from the Board as follows:

- New investments and acquisition of assets with the value from 1.5 percent of the Company's total assets and
- New loans with the value from 5 percent of the Company's shareholders' equity.

The approval to enter into a significant transaction by the Company's Board of Directors and/or shareholders' meeting as well as all information disclosure must comply with rules and regulations of the Stock Exchange of Thailand and/or the Capital Market Supervisory Board.

Duties and responsibilities of the Board have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's annual report.

5.2 Sub-Committees

The Board approved the establishment of two sub-committees comprising all Independent Directors to assist the Board to screen details to achieve operational efficiency. Additionally, to perform their duties transparently and independently, the Chairman of the Board is neither a Chairman nor a member of both committees as follows:

5.2.1 Audit, Risk and Corporate Governance Committee

The Audit, Risk and Corporate Governance Committee comprise three independent directors, one of whom has adequate expertise and experience to review the creditability of the financial reports by reviewing the financial reports of some listed companies in the Stock Exchange of Thailand. The members and the scope of duties and responsibilities of the Audit, Risk and Corporate Governance Committee have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's Annual Report.

5.2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three independent directors, thus forming a strong and independent element that will enable decisions on nomination and remuneration to be made independently. Members and the scope of duties and responsibilities of the Nomination and Remuneration Committee have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's Annual Report.

5.3 Role, Duty, and Responsibility of the Board

5.3.1 Corporate Governance Policy

The Company is committed to maintaining high standards of good corporate governance within the Company. The Company has adopted and is continuously developing a set of good corporate governance practices and policies that are modeled on the Corporate Governance Code for listed companies 2017 advocated by the SEC. The Company has established and continues to apply the Corporate Governance Policy and Code of Corporate Conduct approved by the Board of Directors and communicated throughout the organization. The Standard Operating Procedures have also been documented and applied by the Company. In addition, new internal rules and regulations to continuously improve the good corporate governance of the Company are approved and announced from time to time.

In the past year, no director resigned due to the issue of corporate governance of the Company and no conduct causing a negative reputation of the Company due to the failure of the Board of Director's supervisory performance.

5.3.2 Code of Corporate Conduct

The Board of Directors has approved the Code of Corporate Conduct to set the framework for its officers, executive directors, associates, and agents to act in business matters solely for the benefit of the Company and not enter into any business or other transactions which cause or appear to cause a conflict of interest between him/her and a hotel within the group, the Company/subsidiary, owning company or any other related parties. The Code of Corporate Conduct was distributed and communicated to all relevant persons to understand and to strictly adhere to the Code. The Code was drafted based on the highest level of business ethics and law compliance. To promote compliance with the Code of Corporate Conduct, all employees are required to sign for the acknowledgement and compliance with the Company's Code of Corporate Conduct on an annual basis.

5.3.3 Company Strategic Planning and Implementation

The Board of Directors sets aside sufficient time each year to review and debate the budget of the coming year and the five-year strategic plan. During each year, the Board is periodically updated on the implementation of the plan and if there is any deviation from the plan, a new course of action would be discussed after taking into account the prevailing economic, financial, and market situation.

5.3.4 Leadership and Vision

The Board's primary functions are to set and annually review vision, mission, corporate policy, and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs.

5.3.5 Conflict of Interest

Transactions between the Company and its related parties which may give rise to a conflict of interest are scrutinized by the Audit, Risk and Corporate Governance Committee and if necessary, the approval to enter into such transactions is sought from the Board of Directors and/or shareholders. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision-making process.

Such transactions are made on terms and pricing that have been negotiated on an arm's length basis. If the price is unavailable, the Company will then rely on the report of an independent appraiser appointed by the Company to value important related party transactions to arrive at a pricing that is fair to both the Company and the related party.

All related party transactions are disclosed clearly and accurately. Details are further described under the heading "Related Party Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

5.3.6 Internal Audit and Control

The Company realizes the significance of an effective system of control, such as Standard Operating Procedures, particularly in management and operations. Hence, the duties and responsibilities of the employees and the management are clearly defined. The Company has put in place policies to safeguard the Company's assets and duties between the operators and the appraisal which are separated for effective checks and balances. Furthermore, the Company has also implemented an internal audit of the financial and information technology systems.

Internal Audit

Internal audit is an independent function within the Company that reports directly to the Audit, Risk and Corporate Governance Committee on audit matters and the Managing Director on administrative matters. Internal audits are performed to assist the Board and Management in the discharge of their corporate governance responsibilities and to improve and promote effective and efficient business processes within the Group. The internal auditor plans its internal audit schedules annually in consultation with, but independent of, Management and its plans are submitted to and approved by the Audit, Risk and Corporate Governance Committee. The Audit, Risk and Corporate Governance Committee reviews the activities of the internal auditors every quarter to ensure it is adequately resourced and has appropriate standing within the Company to perform its role effectively.

Enterprise Risk Management

The Company appointed an external consultant to assist management in implementing a Risk Management framework for the business of the Company. The Risk Management framework covers all aspects of the Company's operations to enable significant business risks within the Group's current business environment to be identified, assessed, monitored, managed, and evaluated. As part of the on-going risk management process, the Company's Group Risk Committee annually conducts a risk assessment and considers the adoption of an adequate and cost-effective system of internal controls to mitigate significant business risks. It also provides for significant risks to be managed through regular reviews by the Company's Group Risk Committee and the Audit, Risk and Corporate Governance Committee. The Audit, Risk and Corporate Governance Committee has reviewed the Group's risk management processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

5.3.7 Meetings of the Board and Committees

1. The Board

The Company conducts Board meetings at least 4 times a year every quarter which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. The meeting documents shall be sent out to the directors in advance at least 5 days prior to the meeting date. Additional meetings are convened as and when circumstances warrant. In 2020, the Company conducted 4 Board meetings and the attendance of all directors is shown below.

Name		Number of Attendances / Total
Mr. Ho	KwonPing	4/4
Mr. Vudhiphol	Suriyabhivadh	4/4
Dr. Jingjai	Hanchanlash	4/4
Mr. Thongchai	Ananthothai	4/4
Ms. Srinthorn	Ounayakovit	4/4
Mr. Surapon	Supratya	3/4
Mr. Ho	KwonCjan	4/4
Mr. Ariel	P. Vera	4/4
Mr. Eddy	See Hock Lye	4/4
Mr. Ho	Ren Hua	4/4
Mr. Shankar	Chandran	4/4
Mr. Stuart	David Reading	4/4
Ms. Ho	Ren Yung	3/4 ¹

¹ Ms. Ho Ren Yung was appointed as new Non-Executive Director by the resolution of the 2020 Annual General Meeting on 27 April 2020

The Board is of the view that the contribution of each director should not be focused only on his or her attendance at Board and/or Committee meetings. A director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice, experience, and strategic networking relationships which would further the interests of the Company

2. Audit, Risk and Corporate Governance Committee

The Company conducts regular scheduled Audit, Risk and Corporate Governance Committee meetings on a quarterly basis at least 4 times a year, prior to the Board meeting, which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2020, the Company conducted 4 Audit, Risk and Corporate Governance Committee meetings. Each of the Audit, Risk and Corporate Governance Committee members attended the meetings as follows:

Name		Number of Attendances / Total
Mr. Vudhiphol	Suriyabhivadh	4/4
Dr. Jingjai	Hanchanlash	4/4
Mr. Thongchai	Ananthothai	4/4

In addition, in 2020, the Audit, Risk and Corporate Governance Committee attended 1 non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

3. Nomination and Remuneration Committee

The Company conducts the Nomination and Remuneration Committee meetings as deemed appropriate. The meetings are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2020, the Company conducted 1 Nomination and Remuneration Committee meeting. Each of the Nomination and Remuneration Committee members attended the meetings as follows:

Name		Number of Attendances / Total
Dr. Jingjai	Hanchanlash	1/1
Mr. Vudhiphol	Suriyabhivadh	1/1
Mr. Thongchai	Ananthothai	1/1

The Company encourages that at the time of Board and/or Sub-Committees' decision, the quorum should not be lesser than two-thirds of the total number of directors.

5.3.8 The Non-Management Meeting

The Company encourages non-executive directors to hold meetings with the external auditor as necessary without the presence of executive directors and management attendance to review and discuss freely on any business issues that are of interest. In 2020, there was one non-management meeting held in November.

5.3.9 Board of Directors' Report

1. Financial Report

The Board of Directors is accountable to its shareholders for the Company's financial statements as well as the financial information as shown in the Annual Report. The Board of Directors is satisfied that the Company's financial statements are prudently prepared in accordance with generally accepted accounting principles and are independently reviewed by the external auditors every quarter with a full audit performed at each year-end. Additionally, the Audit, Risk and Corporate Governance Committee has been tasked to independently review the Company's financial report and internal control practices directly with the auditors. All pertinent information relating to the financial statements is clearly and completely disclosed in the accompanying notes.

Details are described under the heading "Internal Control and Risk Management" in Form 56-1 and under the heading "Opinion of the Board of Directors on the Company's Internal Control" and the "Board of Directors' Responsibility for the Company's Financial Statements" in the Company's Annual Report

2. Minutes of Meetings

The minutes of the meetings of the Board and other committees are accurately and completely recorded in all material aspects addressed at each meeting, including the questions, opinions, and clarifications. The Company has a safe and secure filing system in place to keep the minutes of meetings and other supporting documents.

5.3.10 Development of Directors and Management

The Company's directors, management, and employees are constantly encouraged to develop their skills by attending various seminars and training courses organized by various organizations, e.g. the Thai Institute of Directors Association, the SET and the SEC, etc. Seminars and training courses are periodically forwarded to them. Furthermore, relevant information is regularly provided to the directors so that they are kept abreast of the latest developments thus enabling them to make informed decisions. In 2020, Mr. Kuan Chiet, Company Secretary and Vice President – Finance & Administration attended the CGR 1-1 Workshop 2020 held by the SET.

Details of the training previously undertaken by each director are set out in Attachment 1 to Form 56-1 and under the heading "Board of Directors, Management, Head of Group Internal Audit and Company Secretary of the Company" in the Company's Annual Report.

5.3.11 Orientation for New Director

The Company recognizes the importance of supporting new directors in performing their duties. The Company has provided the information on its business and other information related to the operations of the Company to new directors such as an annual report and relevant laws and regulations so that they are adequately informed of the rules and regulations and business of the Company prior to performing their duties.

5.3.12 External Directorship Policy

The Board of Directors has set a policy to limit the number of listed companies in which each director may hold a directorship. This policy aims to protect the Company's best interests because it helps to ensure that directors have sufficient time to handle their duties efficiently. The Board of Directors has agreed to set the policy prescribing that each director should hold directorship of a maximum of 5 other listed companies.

In addition, the Company has a guideline that the Chief Executive Officer shall obtain prior approval for any external directorship from the Nomination and Remuneration Committee. While all other executive officers shall obtain prior approval for any external directorship from his/her superior holding the rank of Senior Vice President or higher relevant to the Executive officer's business unit. Where the approval as described was obtained but a material change in circumstances renders it inappropriate for the executive officer to continue his/her external directorship, it is a conflict of interest unless a fresh approval is obtained by the executive officer in accordance with the requirements set out.

5.3.13 Nomination of Board members

The Nomination and Remuneration Committee will be responsible for the nomination of new directors. The Nomination and Remuneration Committee will search for potential candidates and propose the same to the Board of Directors or the shareholders' meeting (as the case may be) for consideration and appointment. The following matters will be taken into consideration as part of the selection criteria: the structure of the Board of Directors, which shall consist of members in the number that is suitable for the size and business strategy of the Company, the diversity in the structure of the Board of Directors (Board Diversity), including but not limited to, race, religion, national origin and gender, the appropriateness of the qualifications and skills of the director(s) that are necessary but lacking among the existing Board of Directors. The Board Skill Matrix will be used to identify the required qualifications.

5.3.14 Nomination Procedures

The Nomination and Remuneration Committee will select candidates for the position of director(s) of the Company from the recommendation of other directors, the nomination by the shareholders of the Company, the service of external professional search firms, or the directors' pools of various agencies, or other nomination procedures as the Nomination and Remuneration Committee considers appropriate.

5.3.15 Succession Plan

The Board of Directors places importance on having an effective and efficient management as well as the continuance of its business operations, which are essential factors to the sustainable growth of the organization. Thus, the Company is required to prepare a succession plan for the positions of the Chief Executive Officer, Managing Director, and other senior executive positions, and to review every 3 years to ensure that there will be competent senior executives for the succession of these key positions in the organization.

5.3.16 Performance Evaluation of the Board

Based on the principles of good corporate governance, the Board of Directors and Sub-committees conduct a self-evaluation at least once a year so that they could review and improve their performance. The evaluation is

based on the self-assessment form developed by the Stock Exchange of Thailand, which is adapted to suit the Company's business nature and to cover the performance of the Board which consists of the following:

1. Self-assessment form of the Board of Directors to evaluate the performance of the entire Board and on an individual basis.
2. Self-assessment form of the Sub-committees
 - 2.1 The Audit, Risk and Corporate Committee
 - 2.2 The Nomination and Remuneration Committee

At the end of every year, the Company Secretary will send a self-assessment form to each member of the Board of Directors and Sub-committees to appraise the annual performance, collect the completed forms, conclude and report the performance evaluation results to the Board of Directors and/or each Sub-committee for acknowledgement.

The self-assessment form of the Board of Directors and Sub-committees consists of the following main topics for performance rating including

- Board structure and qualifications
- Roles, duties, and responsibilities of the Board
- Board meeting
- Board performance
- Relationship with management
- Director's self-improvement and management development

The assessment forms follow the levels of performance in accordance with the scores achieved as shown below:

From 85%	=	Excellent
From 75%	=	Very good
From 65%	=	Good
From 50%	=	Fair
Below 50%	=	Need improvement

The assessment result in 2020 of the Board of Directors and each Sub-Committee are as follows:

1. The Board of Directors as a whole achieved an average score of 86.4 percent which is in the Excellent category and the Board of Directors on an individual basis achieved an average score of 88.4 percent which is in the Excellent category.
2. The Audit, Risk and Corporate Governance Committee achieved an average score of 97.2 percent which is in the Excellent category.
3. The Nomination and Remuneration Committee achieved an average score of 94.4 percent which is in the Excellent category.

SUPERVISION ON THE USE OF INSIDE INFORMATION

To prevent the misuse of confidential and price-sensitive corporate information, the Board of Directors of the Company approved the policy on dealing in securities of the Company which prohibits any directors, management, and employees, regardless of rank, from disclosing or using such confidential and price-sensitive corporate information. Employees are prohibited to trade in the Company's shares for personal gain or any other reason not in the Company's interest or dealing in the Company's securities while in possession of unpublished confidential and price-sensitive information during the "embargo period" which is defined as 1 month before and up to the date of announcement of the Company's financial results for each quarter. The policy and reminder of the embargo periods are communicated to directors, management, and employees on an annual and quarterly basis to strictly comply with this policy. Confidential and price-sensitive information is also restricted to only directors, management, and those officers who have direct responsibility over such matters. Any violation of this policy shall be subject to disciplinary actions under the working regulation. Additionally, the Company monitors the trading of the Company's securities by its directors, and senior management who are required to report to the Board of Directors on a quarterly basis on the holding of the Company's securities and in accordance with the rules of the Securities and Exchange Commission.

RISK FACTORS

Economy and Tourism in Thailand

As most of the Group's revenue is generated from tourism and property sales in Thailand, the Group has exposure to both the world and Thai economies and the tourism industry in Thailand. Any conditions, such as changes in the attractiveness of Thailand as a tourism destination, an economic downturn, acts of terrorism, natural disasters, increased levels of criminal activity, civil unrest, or epidemics/pandemics which affect tourism in Thailand or result in a depression in property values in Phuket, may hurt the Group's business, financial condition, and performance. The adverse impact of a pandemic cannot be more evident than the outbreak of the Covid-19 in 2020 which has caused the Company's business and the global hospitality industry to slump to an all-time low over an unprecedented prolonged period. At the time of writing this report, there is still very little clarity as to when the business will return to pre-Covid levels.

Political Uncertainty

Thailand's tourism industry has been adversely impacted in recent years by political tensions in Thailand. Such events were internationally publicized and created a negative perception of Thailand as being a safe place to travel for foreign tourists and for investors to invest. Political uncertainty in Thailand adversely impacts the tourism sector and investor sentiment.

Over-Reliance on Some Key Markets

The over-reliance on any market carries with it a certain degree of risk as a downturn in that market would adversely impact the performance of the hotel if it fails to replace the business in a timely manner. Like many hotels in Thailand, Russia and China have become the 2 largest markets for the Group's hotels in recent years. In 2015, a significant devaluation of the ruble impeded the performance of the two hotels in Phuket making China the key business market. In 2016 the Group's hotels were not affected by the clampdown of the China zero-dollar tour operations. During the year-end high season of 2016 and 2017, the hotels in Phuket saw the return of the Russian market, and whilst this is good news, it also means managing this market is crucial (Russia is not a key source market for Banyan Tree Bangkok). In view of this, the Group will seek alternative markets to achieve a balanced customer base.

Interest Rate Fluctuation

The Group's exposure to interest rate risk relates primarily to the deposits with financial institutions, long-term trade accounts receivable, and bank overdrafts and loans. Most of the financial assets and liabilities have floating interest rates or fixed interest rates as disclosed in the notes of the financial statements and the interest rate risk is not expected to be significant. The Group does not use derivative financial instruments to hedge such risk.

Foreign Currency Fluctuation

The exchange rate of the Thai Baht as compared to the currencies of China, US, Russia, UK, and other European markets has the potential to impact the pricing and affordability of products and services of the Group for such market segments.

Land Title

In recent years, there have been a number of disputes in Thailand relating to property owners having valid title to their properties. Although the Company is confident that it has valid title to all the land upon which it operates or which is for sale by it in Thailand, there can be no assurance that other parties will not challenge the claim of title. Even if such challenges are not successful, they may have a material adverse effect on the property sales business in Thailand if purchasers express concern that the Group is unable to transfer good title to them.

Thai Labour Laws

Nearly all of the employees are based in Thailand. Labour laws in Thailand are highly protective of employees. Under Thai labour laws, the Group is generally prohibited from discharging employees without compensation absent gross misconduct, neglect, or acts of dishonesty. As such, the Group has limited measures at disposal to reduce headcount to increase efficiencies, reduce costs or achieve similar objectives. During crises in recent years such as the global economic crisis, the Group was restricted from dismissing employees and could only institute a voluntary unpaid leave program. The Group has been restricted in the past and expects in the future to be limited to using voluntary separation plans where the Group is required to pay high amounts of severance pay and similar measures under which selected employees may elect to leave the Group in return for lump-sum compensation packages and other benefits.

Operating Risks Inherent in the Hospitality Industry

The hotels are subject to operating risks inherent in the hospitality industry. These risks include:

- Seasonality of the industry in that the Group is subject to different levels of tourism and business/commercial travel across the year, and thereby the revenues tend to vary within the year.
- Competition from new resorts and hotels both locally and within the region.
- The dependence on travel patterns and destination preferences.
- Changes in regulatory conditions in Thailand.
- Periodic local oversupply of or reduced demand for guest accommodation, which may adversely affect occupancy rates and actual room rates achieved.
- Changes in general, regional and local economic conditions may affect, among other things, the disposable income of consumers and the traveling public and which may not be offset by increased revenues.
- Regional and local political and social conditions affecting market demand, including crime, civil disorder, and terrorism.
- Epidemics/pandemics affecting the travel and tourism industries.
- Travel advisories cautioning people to defer and/or avoid travel.
- Foreign exchange rate movement.
- The convenience of access to Thailand and in particular the airline capacity into Thailand and Phuket.
- Adverse weather conditions and natural disasters.

Operating Risks Inherent in the Property Industry

The property sales business is subject to operating risks inherent in the property industry. These risks include:

- Changes in general, regional and local economic and political conditions may affect, among other things, the disposable income of buyers and their confidence in the property market.
- The ability to generate sustainable investment returns which may affect the future demand for properties.
- Foreign exchange rate movements may affect the pricing and affordability of property for foreign buyers.
- Developing new and innovative product designs which will appeal to buyers.
- Provision of high-quality after-sales services to retain strong brand loyalty and buyer satisfaction.
- Changes in regulatory conditions in Thailand may impose restrictions on buyers, future development of land, or types of product offerings.
- Rising construction costs may affect operating margins if selling prices cannot be adjusted accordingly.
- The ability to source and retain quality building contractors who can deliver a quality product on time.
- Epidemics/pandemics affecting the travel and tourism industries as foreign buyers make up the majority of the Company's customers.

Any of these factors could have an adverse effect on the business and management monitors each of these closely so that the strategies can be quickly adapted to any changes in the operating environment.

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Persons with Mutual Interest and Connected Transactions

Transactions between the Company and its subsidiaries with related parties including the amounts paid and received, and the terms of the transactions are included in note 10 to the financial statements. Such transactions are disclosed and grouped by type of transaction.

Additional information relating to the significant transactions which are greater than Baht 1 million are the name of the persons with mutual interest and the necessity and reasonableness of the transactions. This is disclosed as follows:

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2020

(Unit : Million Baht)

	Payee	Payer	Transactions in 2020	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Transactions with associate	TWPL	TWPC	3	-	-	CSH	Convenience of payment
	TWPL	TWPC	15	-	-	CSH	Rental of the corporate head office - The building is well located and has good amenities.
Transactions with related companies							
	TWPL	BTRS(T)	0	BTRS(T)	B	CH, CSH, KW	Convenience of guest's payment
	BTRS(T)	BGL	2	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	Convenience of guest's payment to promote
	BTRS(T)	LBT	9	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	Laguna Phuket resort integration
	BTRS(T)	PGR	0	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	
	BTRS(T)	TWPL	5	BTRS(T)	B	CH, CSH, KW	Convenience of guest's payment
Management fee income	LRH	BTRS(T)	5	BTRS(T)	A	CSH, ESHL, KCH	Technical Assistance for providing management services for Information Technology, Human Resource, and maid services

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2020 (Con't)

(Unit : Million Baht)

Payee	Payer	Transactions in 2020	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
BTHR	BTG(T)	1	BTH	A, B	ESHL	For the use of "Banyan Tree" and "Angsana" trademarks and all proprietary rights associated with them
BTHR	BGL	8	BTH	B	ESHL	For the use of "Angsana" trademark and all proprietary rights associated with it
BTHR	BTL	0	BTH	B	ESHL	For project services and design services
BTHR	LBTl	11	BTH	B	ESHL	For project services and design services
BTHR	LRH	0	BTH	A	ESHL	For the use of "Banyan Tree" trademark and all proprietary rights associated with it
BTHR	LGL	6	BTH	B	-	For project services and design services
BTHR	TWRH	1	BTH	B	ESHL	For project services and design services
BTHR	PGR	4	BTH	B	ESHL	For project services and design services
BTHR	TWPL	9	BTH	B	-	For the use of "Cassia" trademark and all proprietary rights associated with it
BTHR	BGL	0	BTRS(T)	B	CSH, ESHL	For project services and design services
BTHR(T)	LBTl	4	BTRS(T)	B	CSH, ESHL	For the use of "Banyan Tree" trademark and all proprietary rights associated with it
BTHR(T)	PGR	3	BTRS(T)	B	CSH, ESHL	For project services and design services
BTHR(T)	TWPL	2	BTRS(T)	B	CSH	For the use of "Banyan Tree" trademark and all proprietary rights associated with it
BTMG	BGL	4	BTH	B	ESHL	For project services and design services
BTMG	LBTl	6	BTH	B	ESHL	Expertise in managing hotels - Management fees are in line with industry standards
BTMG	PGR	2	BTH	B	ESHL	Centralised marketing to promote "Angsana" brand
BTMG	TWPL	6	BTH	B	-	Centralised marketing to promote "Cassia" brand
						Centralised marketing to promote "Banyan Tree" brand

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2020 (Con't)

(Unit : Million Baht)

	Payee	Payer	Transactions in 2020	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Purchase of spa and gallery vouchers	BTS	BGL	1	BTH	B	CSH, ESHL	Vouchers to use spa service at the Banyan Tree Spa and Angsana Spa or to buy goods from the Banyan Tree Gallery and Angsana Gallery provided to management as a benefit
	BTS	LBTCL	1	BTH	B	CSH, ESHL	
	BTS	PGR	1	BTH	B	CSH, ESHL	
	BTS	LSC	0	BTH	B	CSH	
	BTS	TWPL	0	BTH	B	CSH	
Sale of goods	BTG(T)	HSSA	0	BTH	A, B	CSH, ESHL	Purchase of supplies for the spa operation and outlets
	BTG(T)	LVCL	1	BTH	A, B	ESHL	Purchase of guest supplies for the hotel
	BTG(T)	MAPL	0	BTH	A, B	ESHL	
	BTG(T)	MBPL	2	BTH	A, B	ESHL	
	BTG(T)	PTBH	0	TRL	C	KCH	
	BTG(T)	VM	1	BTH	A, B	ESHL	
	AVCI	PTBH	0	TRL	C	-	Convenience of payment
Reimbursement receipts	BGL	BTHR(T)	13	BTRS(T)	B	CSH, ESHL	
	BGL	BTRS(T)	0	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	
	BTG(S)	BTS	1	BTH	A, B	ESHL, KCM	
	BTG(S)	BTHR	0	BTH	A, B	ESHL, KCM	
	BTG(T)	BTS	4	BTH	A, B	CSH, ESHL	
	LBTCL	BTHR(T)	0	BTRS(T)	B	CSH, ESHL	
	LBTCL	BTRS(T)	2	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	
	LGL	LVCL	0	BTH	B	-	
	LGL	BTS	1	BTH	B	CSH	
	LRH	BTH	5	BTH	A	KPH, RHH	

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2020 (Con't)

(Unit : Million Baht)

Payee	Payer	Transactions in 2020	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Reimbursement receipts	LRH	BTHR	1	BTH	A	ESH
	LRH	BTHR(T)	3	BTRS(T)	A	CSH, ESH
	LRH	BTRS(T)	1	BTRS(T)	A	CSH, ESH, KCH
	PGR	BTRS(T)	0	BTRS(T)	B	CH, CSH, ESH, KCH, KW
	TWPL	BTRS(T)	1	BTRS(T)	B	CH, CSH, KW
	TWPL	BTHR	3	BTH	B	-
	TWPL	BTHR(T)	0	BTRS(T)	B	CSH
	BTHR	BGL	2	BTH	B	ESH
	BTHR	BTG(S)	2	BTH	A, B	ESH
Reimbursement payments	BTHR	LBT	2	BTH	B	ESH
	BTHR	LSC	1	BTH	B	-
	BTHR	BTL	1	BTRS(T)	B	ESH
	BTHR	TWPL	2	BTH	B	-
	BTHR	LGL	1	BTH	B	-
	BTRS(T)	BTG(T)	4	BTRS(T)	B	CH, CSH, ESH, KCH, KW
	BTRS(T)	LBT	6	BTRS(T)	B	CH, CSH, ESH, KCH, KW
	BTRS(T)	LGL	4	BTRS(T)	B	CH, CSH, KW
	BTRS(T)	LHC	3	BTRS(T)	B	CH, CSH, KW
	BTRS(T)	LRH	1	BTRS(T)	A	CSH, ESH, KCH
	BTRS(T)	LSC	1	BTRS(T)	B	CH, CSH, KW
	BTRS(T)	LGL	2	BTRS(T)	B	CH, CSH, KW
	BTRS(T)	PGR	2	BTRS(T)	B	CH, CSH, ESH, KCH, KW
	BTRS(T)	BGL	3	BTRS(T)	B	CH, CSH, ESH, KCH, KW
	PTBH	AVCI	2	TRL	C	-
	RYS	LBT	12	BTH	B	ESH
	BTHR	PGR	1	BTHR	B	ESH
	BTHR(T)	LBT	8	BTHR(T)	B	CSH, ESH
	BT	LBT	4	BT	B	ESH

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Transactions between the Group (The Company and its Subsidiaries) and Related Parties in Year 2020 (Con't)

(Unit : Million Baht)

	Payee	Payer	Transactions in 2020	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Rent and service income	BGL	BTRS(T)	1	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	Angsana Spa is a recognised spa brand name which enhances image of hotel and helps in its marketing.
	LBTL	BTRS(T)	10	BTRS(T)	B	CH, CSH, ESHL, KCH, KW	Banyan Tree Spa is a recognised spa brand name which enhances image of hotel and helps in its marketing.
	TWPL	BTRS(T)	2	BTRS(T)	B	CH, CSH, KW	
Rent and service expenses	BTHR	BTG(S)	1	BTH	A, B	ESHL, KCM	Convenience of operation
Rental return on hotel units	CGL	PTBH	4	TRL	C	-	Purchase of units to set up a Holiday Club operation in the Angsana Resort & Spa Bintan. A very good rental return is being received from the hotel prior to the units being required for the operation.
Resort service income	LSC	BTRS(T)	2	BTRS(T)	B	CH, CSH, KW	Centralization of facilities and services to each operation in Laguna Phuket
Training charges	BTHR(T)	BGL	1	BTRS(T)	B	CSH, ESHL	Centralized training for Laguna Phuket staff of all operations and allocated based on actual cost
	BTHR(T)	LBTL	1	BTRS(T)	B	CSH, ESHL	
	BTHR(T)	PGR	0	BTRS(T)	B	CSH, ESHL	
	BTHR(T)	TWPL	0	BTRS(T)	B	CSH	
Interest expenses	BTS	BTG(S)	0	BTH	A, B	ESHL, KCM	Interest expenses
Transaction with management and directors	KPH	LRH	1	KPH	Director LRH	-	Rental return on hotel units
	CSN	LRH	1	CSN	Spouse KPH	-	

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Transactions within the Group and a Company Which is Owned by Persons with a Mutual of Interest More Than 10 percent in The Year 2020

(Unit : Million Baht)

Payee	Payer	Transactions in 2020	Person(s) with Mutual Interest	Nature of Relationship	Directors with Common Interest	Necessity/ Reasonableness
Inter resort receipts	BTG(T)	BGL	0	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	Convenience of guest's payment to promote Laguna Phuket resort integration
	BTG(T)	LBTl	2	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	
Purchase of goods	BTG(T)	TWPL	1	BTH	AS, CH, CSH, KW, SDR	Convenience of guest's payment
	BTG(T)	BTG(S)	0	BTH	CSN, ESHL, SDR	Central purchasing to facilitate bulk purchasing for competitive pricing
	BTG(T)	BGL	1	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	Purchase of guests supplies for the hotel
	BTG(T)	LBTl	1	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	
	BTG(T)	LGL	0	BTH	AS, CH, CSH, KW, SDR	
Reimbursement of costs	BTG(T)	PGR	1	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	Convenience of payment
	BTG(T)	TWPL	3	BTH	AS, CH, CSH KW, SDR	
	BTG(S)	BTG(T)	4	BTH	CSN, ESHL, SDR	
	LBTl	BTG(T)	0	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	
Rent and service	TWPL	BTG(T)	1	BTH	AS, CH, CSH, KW, SDR	Providing the hotel facility of a high class retail outlet
	LBTl	BTG(T)	1	BTH	AS, CH, CSH, ESHL, KCH, KW, SDR	
	TWPL	BTG(T)	1	BTH	AS, CH, CSH, KW, SDR	

Remarks:

- A Major shareholder
- B Major shareholder of the parent company (LRH)
- C The company in which the major shareholder of LRH is its major shareholder

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Abbreviations

AVCI	PT. AVC Indonesia	LGL	Laguna Grande Limited
BGL	Bangtao Grande Limited	LHC	Laguna Holiday Club Limited
BTG(S)	Banyan Tree Gallery (Singapore) Pte Ltd.	LRH	Laguna Resorts & Hotels Public Company Limited
BTG(T)	Banyan Tree Gallery (Thailand) Limited	LSC	Laguna Service Company Limited
BTH	Banyan Tree Holdings Limited	LVCL	Laguna (Vietnam) Company Limited
BTHR	Banyan Tree Hotels & Resorts Pte. Ltd.	MAPL	Maldives Angsana Pvt Ltd.
BTHR(T)	Banyan Tree Hotels & Resorts (Thailand) Limited	MBPL	Maldives Bay Pvt Ltd.
BTI	Banyan Tree Investments Pte. Ltd.	PGR	Phuket Grande Resort Limited
BTL	Bangtao Laguna Limited	PTBH	PT Bintan Hotels
BTMG	Banyan Tree Marketing Group Pte. Ltd.	RYS	Rong Yuan (Shanghai) Business Management Company Limited
BTRS(T)	Banyan Tree Resorts & Spas (Thailand) Company Limited	TRL	Tropical Resorts Limited
BTS	Banyan Tree Spas Pte. Ltd.	TWPC	Thai Wah Public Company Limited
CGL	Cheer Golden Limited	TWPL	Thai Wah Plaza Limited
HSSA	Heritage Spas South Africa (Pty) Ltd.	TWRH	TWR-Holdings Limited
LBTL	Laguna Banyan Tree Limited	VM	Vabbinvest Maldives Pvt. Ltd.

Initials

AS	Ms. Areewan Sriwichupong
CH	Mr. Kuan Chiet
CSH	Mr. Shankar Chandran
CSN	Ms. Chiang See Ngoh Claire
ESHL	Mr. Eddy See Hock Lye
KCH	Mr. Ho KwonCjan
KCM	Mr. Moy Keen Choy
KPH	Mr. Ho KwonPing
KW	Mr. Kontee Warapitayut
RHH	Mr. Ho Ren Hua
SDR	Mr. Stuart David Reading

PERSONS WITH MUTUAL INTEREST AND CONNECTED TRANSACTIONS

Reference for Valuation Price / Rental Fee Compared to 3rd Parties

Transaction Type	Justification for Transactions
Retail Rental	<ul style="list-style-type: none"> - Rental rate set on a square metre basis is in line with market rate. - The majority of the rental of Banyan Tree Gallery, Spa and restaurants are contracted on a percentage of revenue basis and have been separately negotiated with the management of each hotel operation. - Spa contracts being negotiated with other unrelated hotel operators are also structured on a percentage of revenue basis i.e. this is the general rental policy applied by the Banyan Tree Group.
Office Rental	<ul style="list-style-type: none"> - Rental rate is in line with market rate. Generally, in the upper range if compared to the same type of building in a similar location. - Terms and conditions in the agreement are similar to other customers and the market. - Service fee has been separated from rental for tax reasons.
Land Rental	<ul style="list-style-type: none"> - Land lease rates are very different in the market depending on the location and type of land. - Net present value calculation of rent charged has been compared to valuations as performed by an independent property valuer.

Procedures for approving related party transactions

It is the Group's policy to ensure that there is no conflict of interest when related party transactions are executed. All existing related party transactions are communicated by each of the operations on a quarterly basis and reviewed by management. New proposed related party transactions are identified by and/or communicated to higher-level management and the transactions are approved by either senior management, Board of Directors, or the shareholders in accordance with the requirements of the SET and SEC. All new significant related party transactions are presented to the Audit, Risk and Corporate Governance Committee for an opinion that includes demonstrating that the transaction is on commercial terms and on an arm's length basis. Once recommended by the Audit, Risk and Corporate Governance Committee the transaction will be proposed to the Board of Directors or the Board of Directors and shareholders for approval. Interested directors do not take part in approving the transaction.

Future policy or tendency of related party transactions

It is the intention of the Company to minimise the incidence of related party transactions wherever practicable. However, given the nature of the Group structure and the Groups' business, it is not possible to cease many of the current transactions. As a result, the Group's future policy is geared towards ensuring that all current and future transactions are necessary and are on commercial terms and an arm's length basis.

LEGAL DISPUTES

As of the date in preparing this report, the litigations in which the Company or its subsidiaries are parties to are minor legal disputes with no material impact on the Company's business operations.

For those minor legal disputes, please refer to clause 46.1 - 46.4 of the Company's notes to consolidated financial statements.

REPORT OF THE AUDIT, RISK AND CORPORATE GOVERNANCE COMMITTEE

The Audit, Risk and Corporate Governance (“ARCG”) Committee of Laguna Resorts & Hotels Public Company Limited comprises 3 independent directors and is empowered to:-

- review the Company’s financial reports, internal control and internal audit systems, connected transactions and compliance with all relevant regulations and laws;
- recommend special audit plans to the internal auditor as well as approve the appointment, transfer and termination of employment of the head of internal audit unit;
- advise management on matters related to the principles of good corporate governance;
- recommend the appointment and termination of the Company’s external auditors and their remuneration;
- review or discuss policies regarding risk assessment and risk management and the steps management has taken to monitor and control such exposures;
- seek to oversee and ensure a continuous process for managing risk;
- oversee the compliance with the Anti-Corruption Policy; and
- supervise and offer advice related to the operation concerning the Company’s sustainable development.

In 2020 the ARCG Committee convened 4 meetings with the Company’s external auditors, internal auditors, and Management to review compliance with accounting standards requirements and internal controls before approving the quarterly and annual financial statements. These meetings also included discussions with the Company’s internal audit team to review findings, provide guidance, and follow up on matters arising from the schedule of work that the ARCG Committee had approved for 2020. Apart from this, the ARCG Committee attended one non-management meeting with the external auditor to deliberate on accounting approaches and audit plans.

Each of the ARCG Committee members attended all meetings convened in 2020.

Regarding risk management, the ARCG Committee reviewed the risk registers of the Company’s major business units with the Company’s Group Risk Committee. During the review, the ARCG Committee advised on mitigation measures for identified risks and checked that the risk management policies and work undertaken by the Company’s Group Risk Committee continue to be adequate and effective.

The ARCG Committee is satisfied that the Group’s internal controls are sufficient and effective both to support its operations and to enable the external auditors to express an opinion on the financial statements that they are presented fairly in all material respects. Where internal control weaknesses have been detected during the ARCG Committee’s reviews, they are not considered material and in all cases, management has been alerted and appropriate corrective action has been taken.

The ARCG Committee believes that risk management is now well understood and practiced throughout the Group and that systems are generally in place to ensure an ongoing process of risk management.

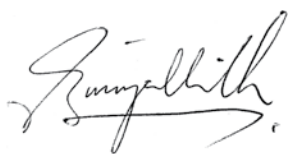
The ARCG Committee is satisfied that the Company is in compliance with the SEC and SET rules and regulations and the laws related to the business of the Company and that the Company has supported and continuously developed its good corporate governance principles. As a pledge of the Company’s ongoing commitment to operate its business ethically and to avoid any corrupt practices, the ARCG Committee recommended the Company to join the Thailand Private Sector Collective Action Coalition Against Corruption (CAC), establish an Anti-Corruption Policy and adopt the Good Corporate Governance Policy. The Company has since joined the CAC and established the Anti-Corruption Policy to promote anti-bribery and anti-corruption practices and serve as clear guidelines for Directors, Executives, Employees, and related persons in conducting the Company’s business. After putting in place all necessary anti-corruption policies and measures under the stringent guidelines of the CAC, the Company became a certified member of CAC in February 2019.

REPORT OF THE AUDIT, RISK AND CORPORATE GOVERNANCE COMMITTEE

Despite the complexity of the Group's structure which is primarily due to the integration of several resorts at Laguna Phuket, the ARCG Committee is satisfied that all connected transactions in 2020 that it reviewed were fair and reasonable and had been entered into on an arms-length basis applying the principles of an open market transaction between willing parties.

The interests of all shareholders remain the principal objective of the ARCG Committee. The Company's operating results and financial reports are therefore reviewed for transparency and completeness. In this regard, the ARCG Committee has been able to satisfactorily resolve all matters arising within the terms of its Charter with both the management and the external and internal auditors.

The ARCG Committee has recommended the Board to appoint Ms. Rungrapa Lertsuwankul, Certified Public Accountant No. 3516 and/or Ms. Pimjai Manitkajohnkit, Certified Public Accountant No. 4521 and/or Ms. Sumana Punpongsanon, Certified Public Accountant No. 5872 and/or Mr. Chayapol Suppasertanon, Certified Public Accountant No. 3972 and/or Ms. Orawan Techawatanasirikul, Certified Public Accountant No. 4807 and/or Ms. Kirdsiri Kanjanaprakasit, Certified Public Accountant No. 6014 and/or Mrs. Gingkarn Atsawarangsali, Certified Public Accountant No. 4496 of EY Office Limited to be the Company's auditors for the fiscal year 2021 with a recommended audit fee of Baht 600,000. The appointment of the auditors and the auditing fee would be subject to the approval at the Annual General Meeting of Shareholders.



(Mr. Vudhiphol Suriyabhivadh)

Audit, Risk and Corporate Governance Committee Chairman

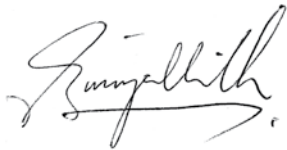
18 February 2021

OPINION OF THE AUDIT, RISK AND CORPORATE GOVERNANCE COMMITTEE ON THE COMPANY'S INTERNAL CONTROL

The Audit, Risk and Corporate Governance ("ARCG") Committee met four times in 2020 to perform its duties in accordance with the charter. Amongst other activities, it reviewed the work of both the Company's internal and external auditors. These reviews were based upon a structured yearly work plan which the ARCG Committee approved annually in advance and it also takes on additional reviews when it is deemed appropriate.

Throughout 2020, Risk Management was rigorously implemented and enforced across all companies under Laguna Resorts & Hotels Public Company Limited. In this regard, controls that mitigate risks to an acceptable level were identified, updated in risk registers, and periodically reviewed. Additionally, the internal controls were also examined and results documented to ensure that the Company has sufficient procedures and controls.

Based upon these reviews, the ARCG Committee is satisfied that the Group's internal controls are sufficient to support its operations and to enable the external auditors to express the opinion that the Company's financial statements are presented fairly in all material respects.



Mr. Vudhiphol Suriyabhivadh

Audit, Risk and Corporate Governance Committee Chairman

OPINION OF THE BOARD OF DIRECTORS ON THE COMPANY'S INTERNAL CONTROL

Based upon the reports of work carried out by the external auditors, the Board of Directors is of the opinion that the Company's internal accounting controls are adequate and have enabled the external auditors to opine that the financial statements for the year ended 2020 are presented fairly. The Board has also taken note of and accepted the Audit, Risk and Corporate Governance Committee's report on the internal control system and therefore concludes that there are no material weaknesses in the Company's internal control system.



Mr. Ho KwonPing
Chairman of the Board

BOARD OF DIRECTORS' RESPONSIBILITY FOR THE COMPANY'S FINANCIAL STATEMENTS

The Board of Directors is responsible for the Company's financial statements including the notes to the financial statements.

In its review of the financial statements, the Board of Directors has relied upon the reports and work performed by the Company's external auditors, EY Office Limited, and the Company's Audit, Risk and Corporate Governance Committee which has carried out extensive discussions with management of the Company. The Board has also satisfied itself that there are no material weaknesses in the Company's internal accounting controls, internal control system and standard operating procedures.

The Board of Directors is therefore able to conclude that the financial statements for the year ended 2020 have been prudently prepared in accordance with generally accepted accounting principles to give a correct and complete presentation, in all material aspects, the financial position of the Company and its subsidiaries.



Mr. Ho KwonPing
Chairman of the Board

SAFFRON CRUISE BY BANYAN TREE BANGKOK





FINANCIAL REPORTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Laguna Resorts & Hotels Public Company Limited

Opinion

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

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

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

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

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

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

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

My opinion is not qualified in respect of these matters.

Key Audit Matters

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

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

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

Revenue recognition of property development

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

I have examined the revenue recognition of the Group by

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

INDEPENDENT AUDITOR'S REPORT

Fair value measurement of land, buildings and investment properties

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

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

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

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audits, or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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

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



Rosaporn Decharkom
Certified Public Accountant (Thailand) No. 5659

EY Office Limited
Bangkok: 24 February 2021

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

(Unit: Baht)

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

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2020

(Unit: Baht)

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

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

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2020

(Unit: Baht)

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

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

INCOME STATEMENT

For the year ended 31 December 2020

(Unit: Baht)

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

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

(Unit: Baht)

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

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2020

For the year ended 31 December 2020

	(Unit: Baht)											
	Consolidated financial statements											
	Equity attributable to the owners of the Company											
	Other components of shareholders' equity											
Issued and fully paid-up share capital	Share premium	Capital reserve	Retained earnings		Revaluation surplus on assets	Gains (loss) on investments in equity designated at fair value through other comprehensive income	Share of other comprehensive income from associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
			Appropriated - statutory reserve	Unappropriated								
				foreign currency								
1,666,827,010	2,062,460,582	568,130,588	211,675,358	3,043,537,032	122,017,702	4,790,813,094	-	9,932,845	12,475,394,211	254,019,788	12,729,413,999	
Profit (loss) for the year	-	-	-	364,101,439	-	-	-	-	364,101,439	(5,886,036)	358,205,403	
Other comprehensive income for the year	-	-	-	-	2,310,045	809,897,493	-	(10,544,062)	801,663,476	2,308,919	803,972,395	
Total comprehensive income for the year	-	-	-	-	2,310,045	809,897,493	-	(10,544,062)	1,165,764,915	(3,587,117)	1,162,177,798	
Dividend paid (Note 39)	-	-	-	(1,568,466,187)	-	-	-	-	(1,568,466,187)	-	(1,568,466,187)	
Subsidiaries paid dividends to non-controlling interests of subsidiaries (Note 16)	-	-	-	-	-	-	-	-	-	-	-	
Reversal of revaluation surplus on disposal of assets (Note 30)	-	-	-	19,769,877	-	(19,769,877)	-	-	-	(110,554,150)	(110,554,150)	
Balance as at 31 December 2019	1,666,827,010	2,062,460,582	211,675,358	1,858,942,161	124,327,747	5,580,940,710	-	(611,217)	12,072,692,939	139,878,521	12,212,571,460	
Balance as at 1 January 2020	1,666,827,010	2,062,460,582	211,675,358	1,858,942,161	124,327,747	5,580,940,710	-	(611,217)	12,072,692,939	139,878,521	12,212,571,460	
Cumulative effects of the change in accounting policies due to the adoption of new financial reporting standard (Note 4)	-	-	-	(1,080,647)	-	-	274,155,619	-	273,074,972	-	273,074,972	
Balance as at 1 January 2020 - as restated	1,666,827,010	2,062,460,582	211,675,358	1,857,861,514	124,327,747	5,580,940,710	274,155,619	(611,217)	12,345,767,911	139,878,521	12,485,646,432	
Loss for the year	-	-	-	(947,298,557)	-	-	-	-	(947,298,557)	(20,916,019)	(968,214,576)	
Other comprehensive income for the year	-	-	-	(27,938,606)	(28,454)	(37,585,679)	(188,702,536)	(11,596,100)	(237,912,769)	(225,053)	(266,076,428)	
Total comprehensive income for the year	-	-	-	(975,237,163)	(28,454)	(37,585,679)	(188,702,536)	(11,596,100)	(237,912,769)	(21,141,072)	(1,234,291,004)	
Dividend paid (Note 39)	-	-	-	(500,042,355)	-	-	-	-	(500,042,355)	-	(500,042,355)	
Reversal of revaluation surplus on disposal of assets (Note 30)	-	-	-	64,951,919	-	(64,951,919)	-	-	-	-	-	
Additional investment in subsidiary	-	-	-	-	-	-	-	-	-	800,000	800,000	
Balance as at 31 December 2020	1,666,827,010	2,062,460,582	211,675,358	447,533,915	124,299,293	5,478,403,112	85,453,883	(12,207,317)	10,632,575,624	119,537,449	10,752,113,073	

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 December 2020

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

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

CASH FLOW STATEMENT

For the year ended 31 December 2020

(Unit: Baht)

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

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

CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2020

(Unit: Baht)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. General information

1.1 Corporate information

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

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

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

1.2 Coronavirus disease 2019 Pandemic

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

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

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

In terms of the property development business, the Group had to temporarily suspend the construction of several existing property projects due to the lockdown measure in Phuket province where the property projects are located. The Group has restarted the construction of some of its property projects in June 2020. Despite the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

pandemic, the Group is continuing to sell properties and in 2020 new properties of more than Baht 1,000 million have been sold to date.

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
<u>Subsidiaries directly held by the Company</u>				
Banyan Tree Gallery (Singapore) Pte. Limited	Sale of merchandise	Singapore	51.0	51.0
Banyan Tree Gallery (Thailand) Limited	Sale of merchandise	Thailand	51.0	51.0
Laguna Banyan Tree Limited ⁽¹⁾	Hotel operations, property development sales and marketing service for holiday club membership	Thailand	100.0	100.0
Laguna Holiday Club Limited	Holiday club membership and property development	Thailand	100.0	100.0
Laguna Grande Limited ⁽²⁾	Operating a golf club and property development	Thailand	100.0	100.0
Laguna Lakes Limited	Property development	Thailand	95.0	95.0
Laguna Service Company Limited ⁽³⁾	Provide utilities and other services to hotels of subsidiaries	Thailand	72.9	72.9
Laguna (3) Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
TWR - Holdings Limited	Investment holding and property development	Thailand	100.0	100.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
<u>Subsidiaries held through TWR - Holdings Limited</u>				
Laguna Excursions Limited	Travel operations	Thailand	49.0	49.0
Laguna Village Limited	Dormant company	Thailand	100.0	100.0
Mae Chan Property Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Pai Samart Development Company Limited	Holds land plots for future development	Thailand	100.0	100.0
Phuket Grande Resort Limited	Property development and hotel operations	Thailand	100.0	100.0
PT AVC Indonesia	Holiday club membership and operating a golf club	Indonesia	100.0	100.0
Talang Development Company Limited	Property development	Thailand	50.0	50.0
Thai Wah Plaza Limited	Hotel operations, lease of office building space and property development	Thailand	100.0	100.0
Thai Wah Tower Company Limited	Lease of office building space	Thailand	100.0	100.0
Thai Wah Tower (2) Company Limited	Owns land on which a hotel is situated	Thailand	100.0	100.0
Twin Waters Limited	Property development	Thailand	100.0	100.0
<u>Subsidiaries held through Laguna Grande Limited</u>				
Bangtao (1) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (2) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao (3) Limited	Property development	Thailand	100.0	100.0
Bangtao (4) Limited	Owns land on which the golf course is situated	Thailand	100.0	100.0
Bangtao Laguna Limited	Owns land on which a hotel is situated and property development	Thailand	100.0	100.0
Bangtao Grande Limited	Hotel operations and property development	Thailand	100.0	100.0
Vision 9 Farm Limited	Farming and restaurant	Thailand	60.0	-
<u>Subsidiary held through Laguna Holiday Club Limited</u>				
Cheer Golden Limited	Investment holding	Hong Kong	100.0	100.0

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

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

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

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

- (b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- (f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- (g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement, statement of comprehensive income and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates under the cost method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value, through other comprehensive income.
- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

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

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

TFRS 16 Leases

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Thousand Baht)

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

4.1 Financial instruments

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

4.2 Leases

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

5. Significant accounting policies

5.1 Revenue and expense recognition

(a) Revenue from hotel operations

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

(b) Revenue from property development operations

- Revenue from the real estate sales

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

- Revenue from sales of furniture

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

- Revenue from services

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

- (c) Revenue from rental and services

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

- (d) Interest income

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

- (e) Finance cost

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

- (f) Dividends

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

5.2 Cost of property development

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

5.3 Cash and cash equivalents

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

5.4 Inventories

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

5.5 Property development cost

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

5.6 Cost to obtain contracts with customers

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

5.7 Investments in subsidiaries and associates

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

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

5.8 Investment properties

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

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

5.9 Property, plant and equipment/Depreciation

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

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

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

- When an asset's carrying amount is increased as a result of the revaluation of the Company's and subsidiaries' assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus on assets". However, a revaluation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

5.10 Borrowing costs

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

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

5.11 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-

generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.12 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

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

Right-of-use assets

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

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

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

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

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

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

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

The Group as a lessor

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

5.13 Deferred financial fees

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

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

5.14 Related party transactions

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

5.15 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where property, plant and equipment was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.17 Employee benefits

Short-term employee benefits

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

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Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

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

5.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.20 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Financial assets at FVTPL

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

Investments

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

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

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

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

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

5.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

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

Leases

Determining the lease term with extension and termination options - The Group as a lessee

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

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

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

Investment properties

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

Property, plant and equipment/Depreciation

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

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

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

Goodwill

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Litigation

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

Investments in associates

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

7. Cash and cash equivalents

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

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

8. Long-term restricted deposit at financial institution

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

9. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht)	
	Separate financial statements		2020	2019
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
Trade accounts receivable - hotel operations	132,156	223,108	7,291	5,326
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(33,285)	(9,119)	(4,419)	(3,528)
Trade accounts receivable - hotel operations, net	98,871	213,989	2,872	1,798
Trade accounts receivable - sales of property				
- Installments due	126,351	121,606	-	-
Current portion of long-term trade				
accounts receivable (Note 15)	335,992	295,637	-	-
Trade accounts receivable - sales of property, net	462,343	417,243	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade accounts receivable - sales of holiday club memberships - Installments due and trade accounts receivable from sales and marketing services for holiday club memberships	48,559	41,213	-	-
Current portion of long-term trade accounts receivable (Note 15)	76	484	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing services for holiday club memberships	48,635	41,697	-	-
Less: Allowance for expected credit losses	(17,256)	-	-	-
Trade accounts receivable - sales of holiday club memberships and sales and marketing services for holiday club memberships, net	31,379	41,697	-	-
Trade accounts receivable, net	592,593	672,929	2,872	1,798
<u>Other receivables</u>				
Amounts due from related parties (Note 10)	80,218	51,504	181,768	29,958
Other receivables	84,899	56,167	2,842	3,713
Insurance claim receivable	325	404	-	-
Accrued other income	3,762	4,376	49	233
Interest receivable	-	39	-	39
Accrued rental	20,959	28,521	20,959	28,521
Total other receivables	190,163	141,011	205,618	62,464
Trade and other receivables, net	782,756	813,940	208,490	64,262

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

Separate

Age of receivables

10. Related party transactions

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

(Unit: Million Baht)

Transactions with subsidiaries

(eliminated from the consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Million Baht)

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

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

- (1) These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel in which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spa and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2% to 5% of the revenue based on the commission rate charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Laguna Golf Bintan primarily for treatments at the spa, goods purchased at the shops and golf fees at golf course.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (2) This relates to sale of spa and gallery vouchers by companies which operate Banyan Tree Spas and Banyan Tree Gallery to related companies for using as a marketing tool. The Spa vouchers are priced at a 55% discount to the Spa price list. The Gallery vouchers are priced at 20% discount to the face value of the voucher.
- (3) Guarantee fee among group companies for permitting their assets to be pledged as collateral for other related companies' bank loans by charging on 1% of proportion of value of pledged assets to total loan facilities.
- (4) The Company charges a management fee to its subsidiaries for providing centralised duties and services for each operation in the group. The monthly fixed rate is charged dependent on the department serviced, except the internal audit service is charged by the working hours and project management service is charged as Note (7).
- (5) Loans between group companies are unsecured and are denominated in Thai Baht. The loans carry interest at a rate equal to the lenders' borrowing costs per annum (based upon commercial bank's interest rates) plus a margin of 1.1%. The loans are repayable on demand, however it is expected that those loans would not be called for repayment in the short-term. Therefore, such loans are recorded as non-current assets/liabilities in the statements of financial position.
- (6) The terms of the operating agreements are disclosed in Note 40 and consist of a royalty agreement, hotel management agreement and technical assistance agreement. The payment terms of the contracts are as follows:

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

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

Hotel management and technical assistance fees.

- (iv) The Technical Assistance Agreement of Banyan Tree Phuket pay a technical fee of 7.5% of gross operating profit.
- (v) The Hotel Management Agreement of Banyan Tree Bangkok and Angsana Laguna Phuket pay a hotel management fee of 10% of gross operating profit. Cassia Phuket, Angsana Villas Resort Phuket and Laguna Holiday Club Phuket Resort pay a hotel management fee of 7.5% of gross operating profit.
- (vi) In addition, pursuant to the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and adverts, sales

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

staff salaries, central reservations and international sales offices incurred by the Banyan Tree and/or Angsana and/or Cassia corporate head office shall be charged as follows:

- Group marketing services shared on a group basis are based on 2% of total actual hotel revenue.
- Reservation service fees are 1% of room revenue plus USD 12 per booking sourced through third party channels.

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

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

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

BGL : Bangtao Grande Limited

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (ii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,172 per square metre per month.
 - (iii) Rental of space and service in Canal Village. The charges include rental and related service fees which are at market rate.
 - (iv) Rental and service income earned by Thai Wah Plaza Limited for renting the office space at Thai Wah Tower I and Banyan Tree Bangkok. The charges include rental and related service fees which are at market rate.
 - (v) Rental of land and lagoon on which hotel and hotel-related operations are located are at Baht 120,847 and Baht 12,085 per rai per annum respectively.
 - (vi) Service income from rental of Banyan Tree Management Academy is at Baht 132,613 per month.
 - (vii) Rental of office space and service of Banyan Tree Gallery (Singapore) Pte. Limited is at SGD 3 per square foot per month.
- (13) This relates to a Management Agreement to manage the hotel units of Cheer Golden Limited in the Angsana Resort & Spa on Bintan Island, Indonesia under which Cheer Golden Limited receives a return of 15% per annum on the investment of the leasehold rights.
- (14) Resort service charged to the operations relates to revenue of Laguna Service Company Limited which provides centralised services to each operation in the group located at Laguna Phuket at the following rates:
- Water supply : at the determined price and actual usage
 - Laundry charge : at the price based on cost plus a certain margin
 - Common area services, : based on actual cost
 - transportation charges
 - Staff buses : at the price based on cost plus a certain margin
 - Marketing fee : at the rate of 0.75% of the operations' actual revenue
 - Community service : based on actual cost
 - Other services : at the determined price and actual usage
- (15) The Company charges a management fee to Banyan Tree Resorts & Spas (Thailand) Company Limited for providing administration services of information technology and human resources.
- (16) This relates to management fee charge to related companies for providing operational, visual and product training services. The fee are annual fee at SGD according to each agreement plus 15% of gross operating profit.
- (17) This relates to project management services which the fees are based on 10% mark up of actual working hours in providing the service and included all cost.
- (18) Loan from a related company is unsecured and is denominated in Thai Baht. The loans carry interest at a rate 1.5% per annum. The loan is repayable within December 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Long-term loans to subsidiaries

(Unit: Thousand Baht)

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

Long-term loans from subsidiaries

(Unit: Thousand Baht)

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

Long-term loan from related company

(Unit: Thousand Baht)

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

Directors and management's benefits

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

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Inventories

(Unit: Thousand Baht)

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

12. Property development cost

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

13. Costs to obtain contracts with customers

(Unit: Thousand Baht)

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

14. Other current assets

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. Long-term trade accounts receivable

Long-term trade accounts receivable consist of:

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

Long-term trade accounts receivable are due as follows:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Investments in subsidiaries

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2020	2019
Thai Wah Plaza Limited	56,976	56,976
Laguna Banyan Tree Limited	350,928	350,928
Total	<u>407,904</u>	<u>407,904</u>

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. Investments in associates

17.1 Details of associates

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17.2 Share of comprehensive income and dividend received

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

17.3 Fair value investments in a listed associate

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

(Unit: Million Baht)

Associate	Fair values as at 31 December	
	2020	2019
Thai Wah Public Company Limited	341	369

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17.4 Summarised financial information about material associates

Summarised information about financial position

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

Summarised information about comprehensive income

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

17.5 Summarised financial information of other associate

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17.6 Investment in associate with capital deficit

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

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19. Investment properties

(Unit: Thousand Baht)

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

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

Key assumptions used in the valuation are summarised below:

(Unit: Thousand Baht)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

20. Property, plant and equipment

Consolidated financial statements

Assets carried at cost

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements (continued)

Assets carried at cost

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements (continued)

Assets carried at revalued amount

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Separate financial statements

Assets carried at cost

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Separate financial statements (continued)

Assets carried at revalued amount

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Key assumptions used in the valuation are summarised below:

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

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

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

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

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

21. Leases

21.1 The Group as a lessee

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

a) Right-of-use assets

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

b) Lease liabilities

(Unit: Thousand Baht)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(Unit: Thousand Baht)

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

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

d) Others

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

21.2 Group as a lessor

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

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

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22. Leasehold rights

(Unit: Thousand Baht)

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

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

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

(Unit: Thousand Baht)

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

MOR : Minimum Overdraft Rate

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

24. Trade and other payables

(Unit: Thousand Baht)

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

25. Other current liabilities

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

26. Long-term loans from financial institutions

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
(11) Baht loan from a bank, with a facility of Baht 300 million repayable quarterly from December 2018 to July 2031, at an interest rate as follows: 2018 onwards: MLR less 1.25% and 1.50% per annum	76,619	131,181	-	-
(12) Baht loan from a bank, with a facility of Baht 450 million repayable quarterly from August 2017 to May 2024, at an interest rate as follows: 2016 onwards: MLR less 1.0%, 1.25% and 1.5% per annum	305,000	323,000	-	-
(13) Baht loan from a bank, with a facility of Baht 335 million repayable quarterly from November 2019 to August 2028, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	292,680	115,500	-	-
(14) Baht loan from a bank, with a facility of Baht 100 million ^(a) repayable annually from December 2020 to December 2023, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	60,795	32,000	-	-
(15) Baht loan from a bank, with a facility of Baht 400 million repayable quarterly from February 2020 to November 2028, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	398,750	300,000	-	-
(16) Baht loan from a bank, with a facility of Baht 75 million repayable quarterly from July 2019 to April 2027, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	73,500	74,000	-	-
(17) Baht loan from a bank, with a facility of Baht 400 million ^(a) repayable annually from December 2020 to December 2024, at an interest rate as follows: 2019 onwards: MLR less 1.25% and 1.5% per annum	330,000	329,000	-	-
(18) Baht loan from a bank, with a facility of Baht 600 million ^(a) repayable quarterly from December 2022 to December 2024 at an interest rate as follows: 2020 onwards: MLR less 1.25% and 1.5% per annum	52,000	-	-	-
(19) Baht loan from a bank, with a facility of Baht 135 million ^(a) repayable annually from July 2020 to July 2024 at an interest rate as follows: 2020 onwards: MLR less 1.25% and 1.5% per annum	109,110	-	-	-
(20) Baht loan from a bank, with a facility of Baht 4 million repayable monthly from December 2020 to May 2022 at an interest rate as follows: 2020 onwards: 2.0% per annum	3,770	-	-	-
(21) Baht loan from a bank, with a facility of Baht 480 million ^(a) repayable annually from December 2022 to December 2025, at an interest rate as follows: 2020 onwards: MLR less 1.25% and 1.5% per annum	196,000	-	-	-
Total long-term loans from financial institutions	5,108,452	4,866,751	1,359,750	1,370,250

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Less: Deferred financial fees	(13,382)	(8,424)	(5,555)	(6,441)
Long-term loans from financial institutions, net	5,095,070	4,858,327	1,354,195	1,363,809
Less: Current portion	(737,411)	(899,235)	(26,500)	(37,000)
Long-term loans from financial institutions, net of current portion	<u>4,357,659</u>	<u>3,959,092</u>	<u>1,327,695</u>	<u>1,326,809</u>

MLR: Minimum Lending Rate

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Thousand Baht)

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

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

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

Significant actuarial assumptions are summarised below:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

28. Long-term provision

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

29. Capital reserve

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

30. Revaluation surplus

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31. Statutory reserve

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

32. Revenue from contracts with customers

32.1 Disaggregated revenue information

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

32.2 Contract balances and revenue recognised in relation to contract balances

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

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

32.3 Revenue to be recognised for the remaining performance obligations

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

33. Other income

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

34. Finance cost

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

35. Expenses by nature

Significant expenses classified by nature are as follows:

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

36. Income tax

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(Unit: Thousand Baht)		
	Statements of financial position	
	Consolidated financial statements	
	2020	2019
Deferred tax assets (liabilities)		
Unutilised tax losses	828	97,714
Allowance for expected credit losses	10,405	1,394
Provision for long-term employee benefits	22,305	14,942
Intercompany charges to property development cost and property, plant and equipment	(9,036)	15,360
Other items of deferred tax assets	31,639	30,034
Revaluation surplus on assets	(1,678,646)	(1,675,714)
Temporary differences arising from revenue and cost recognition	(919,954)	(882,500)
Gain on revaluation of investment properties	(225,143)	(223,497)
Leases	1,819	-
Net deferred tax assets (liabilities)	<u>(2,765,783)</u>	<u>(2,622,267)</u>
Reflected in the statements of financial position as follows:		
Deferred tax assets	45,009	54,198
Deferred tax liabilities	(2,810,792)	(2,676,465)
Net deferred tax assets (liabilities)	<u>(2,765,783)</u>	<u>(2,622,267)</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

37. Basic earnings per share

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

38. Provident fund

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

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

(Unit: Million Baht)

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

39. Dividends

Dividends declared in 2020 and 2019 consisted of:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

40. Commitments

Capital commitment

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

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

Operating agreements

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

(Unit: Million Baht)

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

Servitude over land

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

41. Guarantees

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

42. Segment information

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Intersegment revenues are eliminated on consolidation.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Million Baht)

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

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

(Unit: Million Baht)

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

43. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,411	1,411
Property, plant and equipment - land and building	-	-	11,428	11,428
Non-listed equity investments	-	-	713	713
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	341	-	-	341

(Unit: Million Baht)

	Separate financial statements			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	182	182
Property, plant and equipment - land and building	-	-	21	21
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	341	-	-	341

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment properties	-	-	1,411	1,411
Property, plant and equipment - land and building	-	-	11,748	11,748
Assets disclosed at fair values				
Investment in associate - Thai Wah Plc.	369	-	-	369

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Million Baht)

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

44. Financial instruments

44.1 Financial risk management objectives and policies

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

Credit risk

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

Trade receivables

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Financial instruments and cash deposits

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

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

Foreign currency risk

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

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

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

Interest rate risk

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Million Baht)

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

Interest rate sensitivity

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

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

Liquidity risk

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

44.2 Fair value of financial instruments

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

45. Capital management

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

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

46. Litigation

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

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

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

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

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

47. Events after reporting period

- a) On 1 January 2021, the Group has restructured some business operations by transferred spa and gallery operations from a subsidiary and a related company to under the hotel operations. All outlet spa and gallery revenue streams and expenses will be merged with the relevant operating hotels. The value of assets sold to the hotels are based on their net book value plus margin.
- b) The Group secured a new working capital loan of Baht 130 million to support the hotels' operating shortfall and capital expenditures. The drawdown would be available on a monthly basis based on the shortfall and capital expenditure requirements. Principal repayment is on a quarterly basis with 2-year grace period while interest payment will be on a monthly basis. Interest rate is at 2% p.a. for the first 2 years and subsequently at MLR -1.5% for the subsequent 5 years.

48. Reclassification

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

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

49. Approval of financial statements

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

Auditor's Remuneration for the fiscal year ended 31 December 2020

Audit fees

The Company and subsidiaries paid audit fees for the fiscal year to an audit firm which amounted to Baht 7,980,000 and subsidiaries paid audit fees to other audit firms which amounted to Baht 916,744. This amount does not include the audit fees paid by associated companies.

Non-audit fees

There are no non-audit fees for agreed-upon procedures of net sales and other consultant fees for the fiscal year paid to other audit firms by the Company and subsidiaries. There is no outstanding commitment to pay any fees in the future for uncompleted engagements relating to the year 2020.

REFERENCES

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Email info@sec.or.th
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Regulator for Listed Company:

The Stock Exchange of Thailand (SET)

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Facsimile 66 (0) 2009 9991
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Thailand Securities Depository Company Limited

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-None-

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Kasikorn Bank Public Company Limited, Silom Main Branch
Bangkok Bank Public Company Limited, Head Office
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Other Material Information

-None-

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ABBREVIATIONS OF COMPANY

Abbreviations	Company Name in Full
AVCI	PT. AVC Indonesia
BGL	Bangtao Grande Limited
BI	Bibace Investments Ltd
BT1	Bangtao (1) Limited
BT2	Bangtao (2) Limited
BT3	Bangtao (3) Limited
BT4	Bangtao (4) Limited
BTC	Banyan Tree China Pte. Ltd.
BTL	Bangtao Laguna Limited (Formerly know as Bangtao Development Limited)
BTG(S)	Banyan Tree Gallery (Singapore) Pte. Ltd.
BTG(T)	Banyan Tree Gallery (Thailand) Limited
CGL	Cheer Golden Limited
HHBR	Hua Hin Beach Resorts Company Limited
L3	Laguna (3) Limited
LBTH	Lijiang Banyan Tree Hotel Company Limited
LBTL	Laguna Banyan Tree Limited
LEL	Laguna Excursions Limited
LGL	Laguna Grande Limited
LHC	Laguna Holiday Club Limited
LLL	Laguna Lakes Limited
LRH	Laguna Resorts & Hotels Public Company Limited
LSC	Laguna Service Company Limited
LVL	Laguna Village Limited
MCP	Mae Chan Property Company Limited
PGR	Phuket Grande Resort Limited (Formerly know as Phuket Resort Development Limited)
PSD	Pai Samart Development Company Limited
TLDC	Talang Development Company Limited
TRL	Tropical Resorts Limited
TWL	Twin Waters Limited (Formerly know as Twin Waters Development Company Limited)
TWPC	Thai Wah Public Company Limited
TWPL	Thai Wah Plaza Limited
TWRH	TWR-Holdings Limited
TWT	Thai Wah Tower Company Limited
TWT2	Thai Wah Tower (2) Company Limited
V9F	Vision 9 Farm Limited



Laguna Resorts & Hotels
Public Company Limited