

ANNUAL REPORT 2020



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DISCLOSURE OF INFORMATION
IN ANNUAL REPORT
ACCORDING TO FORM 56-2

The Vision:

“The country’s leading group of companies which focuses on business operations and investment with sustainable growth for generating regular returns.”

1

To focus on investment in potential business.

2

To generate returns for investors regularly.

3

To run business operations with trade partners systematically and fairly for the sake of mutual benefits.

4

To create the brand and image of the organization continuously.

5

To develop marketing continuously.

6

To focus on customer-centric provision of services.

7

To encourage and develop the human resources in accordance with business expansion and commitment.

8

To develop business through digitalization and innovations.

9

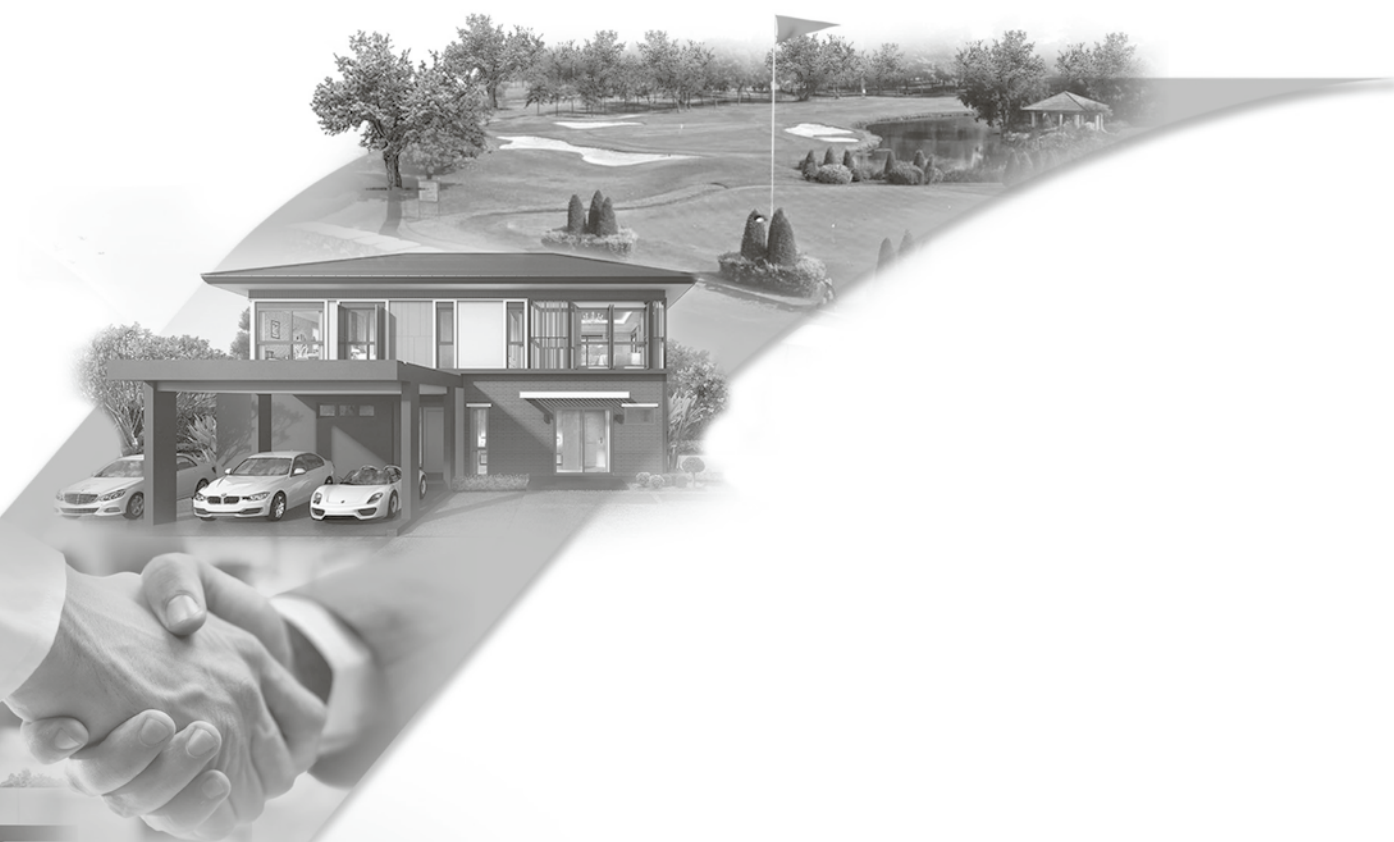
To have performance on a Good Corporate Governance’s principles.

The Missions:

MBK | *Just Right..*
ใช่เลย!



There're many ways to find pleasure in life,
We go the extra mile
to find the right things for you.



MESSAGE FROM THE BOARD OF DIRECTORS



An overall picture of Thailand's economy in 2020 decreased by 6.1%, when compared with the year 2019. Its economic growth rate was 2.3% because of intense impacts of strict measures to control the pandemic of Corona Virus Disease (COVID-19) taken by both the country itself and foreign countries. These measures had a wide impact on business, employment, and people, causing the world economy this year slipped into recession and the stock market fell. Both domestic and foreign international situations also had a wide impact on every sector of the economy and the economic activities of many countries were brought to a temporary halt, particularly the service sector related to tourism. Also, in late December 2020, there was a new wave of the pandemic transmission of Corona Virus Disease (COVID-19) in Thailand which spread through the country in a larger and faster circle than the first wave, leading to anxiety among people in the country. Therefore, spending money and travelling decreased which impacted on every sector of business. As a result, it caused the already sluggish economic situation to further suffer a recession. The Stock Exchange of Thailand was severely affected directly as well.

The year 2020 was the challenging year for MBK GROUP. The crisis from the situation of the epidemic outbreak mentioned above had an effect on its business performance, particularly the Shopping Center Business and the Hotel and Tourism Business. Therefore, MBK GROUP had to manage and adapt its strategies to be consistent with the situation during the crisis in order that business could be conducted continuously, as well as looking for opportunities to be prepared for the New Normal in order to generate returns for shareholders continuously. An overall picture of the performance of the year ended on 31st December 2020, when compared with the year 2019, is as follows:

The revenue gained from the performance was 9,234 million Baht, a decrease of 3,015 million Baht or calculated as 25%, and the net profit in part of the Company's shareholder equity was 149 million Baht, a decrease of 2,650 million Baht, or calculated as 95% because some business establishments had to close down according to the public sectors' time restriction measure such as the Shopping Center Business, the Hotel Business, the Golf Business, and the Food Court Business. Moreover, in 2019, there was the revenue recognition of a special interim dividend, in an amount of 533 million Baht, from one company which was invested in. Therefore, the revenue and the net profit of the year 2020, when compared with the year 2019, had decreases as stated above.

The financial position of MBK GROUP as of 31st December 2020, when compared with the year 2019, had significant changes as follows: total assets of 57,142 million Baht, total liabilities of 35,757 million Baht— consisted of an interest-bearing debt of 18,916 million Baht and a non-interest-bearing debt of 16,841 million Baht, and the

equity of 21,385 million Baht. During the year 2020, MBK GROUP reserved cash of approximately 6,000 million Baht to be sufficient for the business performance under the circumstances of such a pandemic.

The Shopping Center Business. MBK Center renovated rental spaces and common areas inside the building in order to align with the crisis and support customer groups— both Thai and foreign customers. It had to maintain its position as one of leading tourist destinations.

Moreover, AI technology was used to analyze basic data and consumer behavior so that such information was used for management and business planning in order to further increase the competitiveness. Because of its determination to develop the organization continuously, MBK Center was given the award named Thailand Quality Class 2019 (TQC) for the Performance Excellence by the Office of Thailand Quality Award. It was a prestigious award expressing the organization's performance excellence up to the world's standards.

The Paradise Park, the Paradise Place Building, and the Nine Center renovated areas in various zones for the sake of modernity and providing a variety of products, services, and amenities in order to satisfy the need and satisfaction of various kinds of customers regularly.

The Nine Center Tiwanon is a new community mall on Tiwanon Road. It is situated on the area of more than 21 rai and its utility space is approximately 21,000 square meters. The project is located by Tiwanon Road, Pathum Thani, near Riverdale Golf and Country Club (RDGC) and Bangkok Golf Club (BKG). It is anticipated to open in the second quarter of 2021. This project will help generate revenues and increase its land's potential to be the Riverdale District.

The Business of Siam Piwat Co., Ltd. (SPW), as an associated company as of 31st December 2020, held 48.66% of shares. Its equity recognition in 2020 was (33.63) million Baht with the progress of its several projects as follows:

In 2020, SPW won the award for "Outstanding Store Design" given by World Retail Awards. (SPW was awarded for the third consecutive year from 2018 to 2020.)

The Icon Siam Project. For part of Icon Siam Shopping Center, it was severely affected by the situation of the epidemic outbreak of COVID-19 as well. For part of the condominiums consisted of two buildings as the Magnolias Waterfront Residences @ Icon Siam and the Residences @ Mandarin Oriental Bangkok, it is anticipated that condominiums can be sold and transferred to all customers within 2021.

Siam Premium Outlets Bangkok, a joint venture between SPW and Simon Property Group (50:50), is the first international luxury outlet project in Thailand. It is located on 150-rai area, consisted of rental spaces of approximately 50,000 square meters. It has opened since June 2020.

The Hotel and Tourism Business. Guest rooms, the infrastructure, and facilities were renovated in order to boost and modernize the convenience of staying, satisfy the need of guests and services users for their optimum satisfaction. For 2020 example, Pathumwan Princess Hotel renovated 227 guest rooms in total for the modernity and the focus on convenience. Dusit Thani Krabi Beach Resort Hotel renovated its five guest rooms to be Real Triple-styled guest rooms, making more utility spaces and more scenery to be admired, and renovated a swimming pool and its

area around the swimming pool to be more beauty and more lighting. Every hotel sped marketing up continuously, increased sales channels in order to boost incomes and financial liquidity from the hotels' existing services, and controlled expenses.

Moreover, every hotel monitored hygiene safety. It was awarded for Amazing Thailand Safety & Health Administration (SHA). In 2020, the Hotel Business also received many awards given by several institutes. More details are disclosed in this Annual Report.

The Golf Business. There are 5 golf courses provided for services. Two golf courses located in Phuket are Loch Palm Golf Course (LPGC) and the Red Mountain Golf Course (RMGC). These two golf courses are well recognized by both Thai and foreign golfers as the famous golf courses in Thailand. LPGC received international awards such as TripAdvisor, Asian Golf Award, HAPA, Thailand Best Golf Courses, Best of Thailand Awards voted by Chinese Tourists, IAGTO, and IGOLF Charter.

The rest three golf courses in Pathum Thani are Riverdale Golf and Country Club (RDGC), Bangkok Golf Club (BKGC), and Lam Luk Ka Country Club (LLKGC). RDGC and BKGC are located within the same area, where BKGC provides both Day Golf and Night Golf services to enhance the convenience of service users in Bangkok and its vicinity. The quality of golf courses has been improved continuously. In 2020, BKGC's condition of golf course, its clubhouse, and its lighting system were improved in order to enhance the convenience of customers. The Group's golf courses have also formed the business partnership with international leading golf courses. As a result, the Golf Business of MBK GROUP has a variety of choices and can well satisfy the customers' needs.

The Real Estate Business. MBK GROUP's property development project which was already carried out is Quinn Condo Sukhumvit 101. It is a high-end condominium adjacent to the sky train station called "Punnawithi" on Sukhumvit Road. This project's value is more than 2,000 million Baht. It was completely constructed in

October 2020. Moreover, the Real Estate Business developed the project "QUARITZ RAMA 9" as a residence on the potential location next to Rama IX Road. It is near the Nine Center, schools, and leading hospitals. The project's design is modern, luxurious, and surrounded by the nature. The projects' value is over 600 million Baht. It was available for sales in the second quarter of 2020.

The residential project in Pathum Thani consists of the Park Riverdale project— which is designed to have gardens around the houses which makes residents live the closest to the nature. The whole project is surrounded by greenery— and the Riverdale Residence project— which is in the style of "Elite Villa" project with a panoramic view over the Riverdale Golf Course. Both projects are worth over 2,500 million Baht.

The Food Solution Business. Food-related business is run by Patum Rice Mill and Granary Public Company Limited (PRG). In 2020, consumers' purchasing power and behavior changed, causing an overall picture of the domestic rice business's growth rate to remain unchanged. For the foreign market, the volume of Thailand's rice exports decreased more than the previous year because raw materials of white rice— which was the main product for the export— could be harvested less because of drought. Therefore, the price could not be competitive when compared with competitors in the world market. As a result, the export of Thai rice dropped sharply when compared with the year 2019. Exporters turned to the domestic market more. Therefore, the price competition was higher. PRG had to run business carefully in terms of plans for buying raw materials, sales, the price strategy, and building the confidence of consumers in order to be able to be competitive in the market efficiently by increasing a variety of food products and increasing the efficiency of sales and marketing in main existing channels for the optimum effectiveness by focusing on the image of quality products.

For the Food Court Business under the brand of "Food Legends by MBK", managed by MBK Food Island Company Limited ("MBK-FI"), it has two branches situated in the center of the city. These food courts can be reached by BTS and MRT trains as well as other public transportation. They are situated on the 6th floor of MBK Center and the 4th floor of Samyan Mitrtown.

The Financial Business. It consists of business credit with property as collateral— which is good value, situated in a good location, and has potential to further develop for commercial purposes— and retail credit with condominium as collateral. Business credit with securities listed on the Stock Exchange of Thailand as collateral— which have liquidity and are value investing securities— is included. The business is performed by BMK Guarantee Company Limited. In 2020, the credit portfolio size equaled 8,912 million Baht which increased from 2019 by approximately 7.7%

The New Motorcycle Leasing Business— which provides the hire purchase of small, medium, and big motorcycles— is conducted by T Leasing Co., Ltd. In 2020, the hire purchase portfolio size was 6,607 million Baht, a decrease by approximately 9.34% when compared with the year 2019.

The Financial Business controls Non-Performing loans (NPL) at the appropriate and acceptable rate during the crisis stated above by providing relief or restructuring measures to help debtors who are affected

by the situation of COVID-19. The Financial Business's measures also comply with the public sector's request for cooperation.

The Other Business. It is operated by Apple Auto Auction (Thailand) Co., Ltd. (AAA). The Company is engaged in the car auction, depository service and vehicle transportation— which all employ appraisal and vehicle inspection standards from Japan. AAA has the online auction system through E-Auction which its advanced features are among the country's best ones. Moreover, the Apple Auto Trade system is developed. It is an intermediary between selling and buying cars. The Apple E-Bidding system is another channel to increase full services offered to buyers and sellers so that they can do the auction everywhere, every time.

In 2020, AAA had more than 75,000 cars put up for auction. The auctions were arranged both in Bangkok and provinces. In 2021, new auction places are added in four provinces. Also, two parking depositories in provinces are increased in order to support an increasing number of cars put up for auction. Therefore, AAA will have depositories for cars in 25 provinces in total.

The Corporate Supporting Center. It is an important unit for offering consultation and support to MBK GROUP's main business performance by employees with expertise and experience in diversified business. The Corporate Supporting Center attaches significance to stimulating the human resources policy and employs technology used in the organization to develop and enhance the potential and capability of MBK GROUP's business groups in order to satisfy customers' satisfaction by using technologies and innovations for support. Applications and systems are also used in order to increase the competitiveness and the optimum benefits, as well as building the identity and the brand of MBK GROUP to be remarkable, robust, and sustainable such as MBK Application, Customer Relationship Management (CRM), and Artificial Intelligence (AI).

For the Good Corporate Governance, the Board of Directors realizes and attaches importance of the management based on the principles of Good Corporate Governance in order that MBK GROUP grows steadily and sustainably and has responsibility for the society and all stakeholders. In 2020, the Group was assessed for the Corporate Governance of its listed companies at "Excellent" level or 5 stars. It has been assessed at "Excellent" level for five consecutive years since 2016 and has also been awarded 100 full points from the assessment of holding the shareholders' meetings by Thai Investors Association for nine consecutive years since 2012.

For the responsibility for the society and the environment, the Company realizes and attaches significance to this responsibility. Then , it has created value in collaboration with "the society and business-involved parties" by utilizing expertise of the Company in order to create value to the organization and the society in tandem through various projects and activities continuously and the instilment of employees' awareness and consciousness of helping save the environment, cultivating the value and pride of organizing community volunteer activities as payback of their grateful feeling for the society and being part of the creation of the society of happiness. All lead to the social and environmental development for the sustainability in every aspect. Details are disclosed in this Annual Report.

Although the business profits which were generated in 2020 and continue to the year 2021 of MBK GROUP has been affected by such a

crisis, by the management and policies' adaptation to align with the situation during the crisis, the public sector's measures to help and support the economy, and the improvement and the distribution of vaccines, the economy will gradually recover. The Board of Directors and executives have confidence in leading MBK GROUP's companies to overcome this crisis well and bring the Group to the stability and the sustainability in the long term.

On behalf of the Board of Directors, we would like to express our gratitude to the shareholders, customers, business partners, every party of stakeholders, executives, and employees, for your trust and good support for the business performance of MBK GROUP throughout the previous year. MBK GROUP will hold to business performance based on the principles of the Good Corporate Governance, management in a full professional capacity, and readiness to improve and enhance its strength in order to achieve success and encourage growth stably and sustainably.



BANTERNG TANTIVIT

Chairman of the Board of Directors



SUPHADEJ POONPIPAT

Chairman of the Executive Committee



SUVAIT THEERAVACHIRAKUL

President

THE BOARD OF DIRECTORS



MR. BANTERNG TANTIVIT
Chairman



MR. SUPHADEJ POONPIPAT
Vice Chairman
and Chairman of the Compensation
and Nomination Committee



MS. PANIT PULSIRIVONG
Independent Director
and Member of the Compensation
and Nomination Committee



MR. PIYAPHONG ARTMANGKORN
Director



MR. SUVAIT THEERAVACHIRAKUL
Director and President



MR. KASAMA PUNYAGUPTA
Independent Director
and Chairman of the Audit Committee



MR. PRACHA JAIDEE
Independent Director
and Member of the Audit Committee
and Member of the Compensation
and Nomination Committee



MR. SUWIT ROJANAVANICH
Independent Director
and Member of the Audit Committee



MR. HATCHAPONG PHOKAI
Director



MR. ATIPON TANTIVIT
Director

EXECUTIVE MANAGEMENT



MR. SUVAITH THEERAVACHIRAKUL

President and CEO
and Managing Director Financial
Business



MR. PONGSAK SABDASEEN

Senior Executive Vice President,
President Office



MR. APICHAT KAMOLTHAM

Senior Executive Vice President,
Legal Division



MR. SATIT SAISORN

Senior Executive Vice President,
Operation Division



MR. WISARN SIPIYARAK

Senior Executive Vice President,
Leasing and Tenant Relations Division
and Acting Senior Executive Vice
President, Marketing Division

Note : Mr. Wisarn Sipiyarak was appointed into Senior Executive Vice President, Leasing and Tenant Relations Division on February 17, 2020 and appointed into Acting Senior Executive Vice President, Marketing Division on August 18, 2020.



MR. KASEMSUK CHONGMANKHONG

Managing Director Golf Business and Managing Director Other Business and Managing Director Corporate Supporting Center and Senior Executive Vice President, Finance & Administration Division



MR. SOMPHOL TRIOPNART

Managing Director Shopping Center Business



MS. YUPAPUN PARITRANUN

Senior Executive Vice President, Internal Audit Division



MS. CHANINCHORN PREDEEPROMPAN

Senior Executive Vice President, Human Resources Division and Acting Assistant Senior Executive Vice President 2, President Office



MR. SAKCHAI SUTHIPIPAT

Executive Vice President, President Office

Note : Ms. Chaninchorn Predeeprompan was appointed into Senior Executive Vice President, Human Resources Division on April 1, 2020

MANAGEMENT

President Office as of December 31, 2020



► Top row from left to right

MR. SUVAIT THEERAVACHIRAKUL
President and CEO

MR. PONGSAK SABDASEN
Senior Executive Vice President,
President Office

MR. SAKCHAI SUTHIPAT
Executive Vice President,
President Office

MR. WIJARN HEEBPHORN
Assistant Senior Executive
Vice President 1, President Office

► Middle row from left to right

MS. CHANINCHORN PREDEEPROMAN
Acting Assistant Senior Executive
Vice President 2, President Office

MS. PRAIYAPORN KHAENGAENG
Assistant Senior Executive
Vice President 3, President Office

MR. CHAROON PUNYACHATPORN
Senior Vice President, Project
Management Department

MS. CHONLADA NGAMNIKULCHALIN
Senior Vice President,
Compliance Department &
Company Secretary

► Bottom row from left to right

MS. PATCHAREE SOMNANTA
Vice President,
Strategic & Operation System
Management Department

MS. JAROONRAT SALEE
Vice President 1, President Office

MR. SORAPONG TANSUPALAK
Vice President 3, President Office

MS. PITTAYA INPHIROM
Vice President 2, President Office

Note : Mr. Sorapong Tansupalak was appointed into Vice President 3, President Office on January 1, 2020.

Ms. Pittaya Inphirom was appointed into Vice President 2, President Office on April 1, 2020.

Ms. Chonlada Ngamnikulchalin was appointed into Senior Vice President, Compliance Department & Company Secretary on November 1, 2020.

Finance & Administration Division as of December 31, 2020



► Top row from left to right

MR. KASEMSUK CHONGMANKHONG	MS. WANPEN RUNGROJCHANATHIP	MR. SURAPON SENACHAKR	MS. KANCHANA PANYARATTANAKUL
Senior Executive Vice President, Finance & Administration Division	Assistant Senior Executive Vice President 1, Finance & Administration Division	Assistant Senior Executive Vice President 2, Finance & Administration Division	Senior Vice President, Finance Department

► Bottom row from left to right

MR. BOONLERT RAKWIJITSIL	MR. KITJA SINRAPAVONGSA	MS. SUPAPORN TANGKIDWANITCHAROEN
Vice President, Information Technology Department	Vice President, Accounting & Budget Department	Vice President, Procurement and Administration Department

Operation Division as of December 31, 2020



► Top row from left to right

MR. SATIT SAISORN

Senior Executive Vice President,
Operation Division

MR. SATAWAT LAKLAEM

Assistant Senior Executive
Vice President,
Operation Division

MR. PONGWIKARN WISARUTCHOTIKUL

Vice President,
Security Management Department

► Bottom row from left to right

MR. PRAYAD BOONKHAM

Vice President,
Engineering Department

MS. ORAWAN CHUNGPRASIRTSRI

Vice President,
Service Department

Business Development Division as of December 31, 2020



► From left to right

MR. SUVAIT THEERAVACHIRAKUL

Acting Senior Executive
Vice President,
Business Development Division

MR. SOOMBOON PRASOBPIBOON

Assistant Senior Executive
Vice President,
Business Development Division
and Acting Vice President,
Business Investment Department

MR. NITIVIT ASAVANICH

Vice President,
Business Development Department

Note : Mr. Soomboon Prasobpiboon was appointed into Acting Vice President, Business Investment Department on June 11, 2020
Mr. Nitivit Asavanich was appointed into Vice President, Business Development Department on May 7, 2020

Internal Audit Division as of December 31, 2020



► From left to right

MS. YUPAPUN PARITRANUN

Senior Executive
Vice President Internal Audit Division

MS. CHATCHAMAS LUENGSAKSRI

Senior Vice President,
Internal Audit 1 Department

MR. VACHIRA FUENGSR

Vice President,
Internal Audit 2 Department

Note : Mr. Vachira Fuengsri was appointed into Vice President, Internal Audit 2 Department on November 1, 2020.

Human Resources Division as of December 31, 2020



► From left to right

MS. CHANINCHORN PREDEEPROMPAN

Executive Vice President,
Human Resources Division

MS. PATCHARIN PINTUNUN

Vice President,
Human Resources Management
Department

MS. SUNTHRUTHAI LIMWEERAPHAN

Vice President,
Human Resources Development Department

Note : Ms. Sunthruthai Limweeraphan was appointed into Vice President, Human Resources Development Department on November 1, 2020.

Marketing Division as of December 31, 2020



► From left to right

MR. WISARN SIPIYARAK

Acting Senior Executive
Vice President,
Marketing Division
and Acting Vice President,
Marketing Department

MR. YOTSAN SRISUCHAT

Senior Vice President,
Digital Marketing Department

MS. SATTAKAMOL WORAKUL

Vice President,
Corporate Communications Department

Note : Mr. Wisarn Sipiyyarak was appointed into Acting Senior Executive Vice President, Marketing Division on August 18, 2020 and Acting Vice President, Marketing Department on September 1, 2020

Leasing and Tenant Relations Division as of December 31, 2020



► From left to right

MR. WISARN SIPIYARAK

Senior Executive Vice President,
Leasing and Tenant Relations Division

MS. SAHAPPAK CHOKWICHITKUL

Senior Vice President,
Leasing and Tenant Relations Department

Legal Division as of December 31, 2020



► From left to right

MR. APICHAT KAMOLTHAM

Senior Executive Vice President,
Legal Division

MR. OUKRIT PITAKPRACHA

Vice President,
Case & Juristic Person Department

MR. SUTHILERK BUMRUNGCHAT

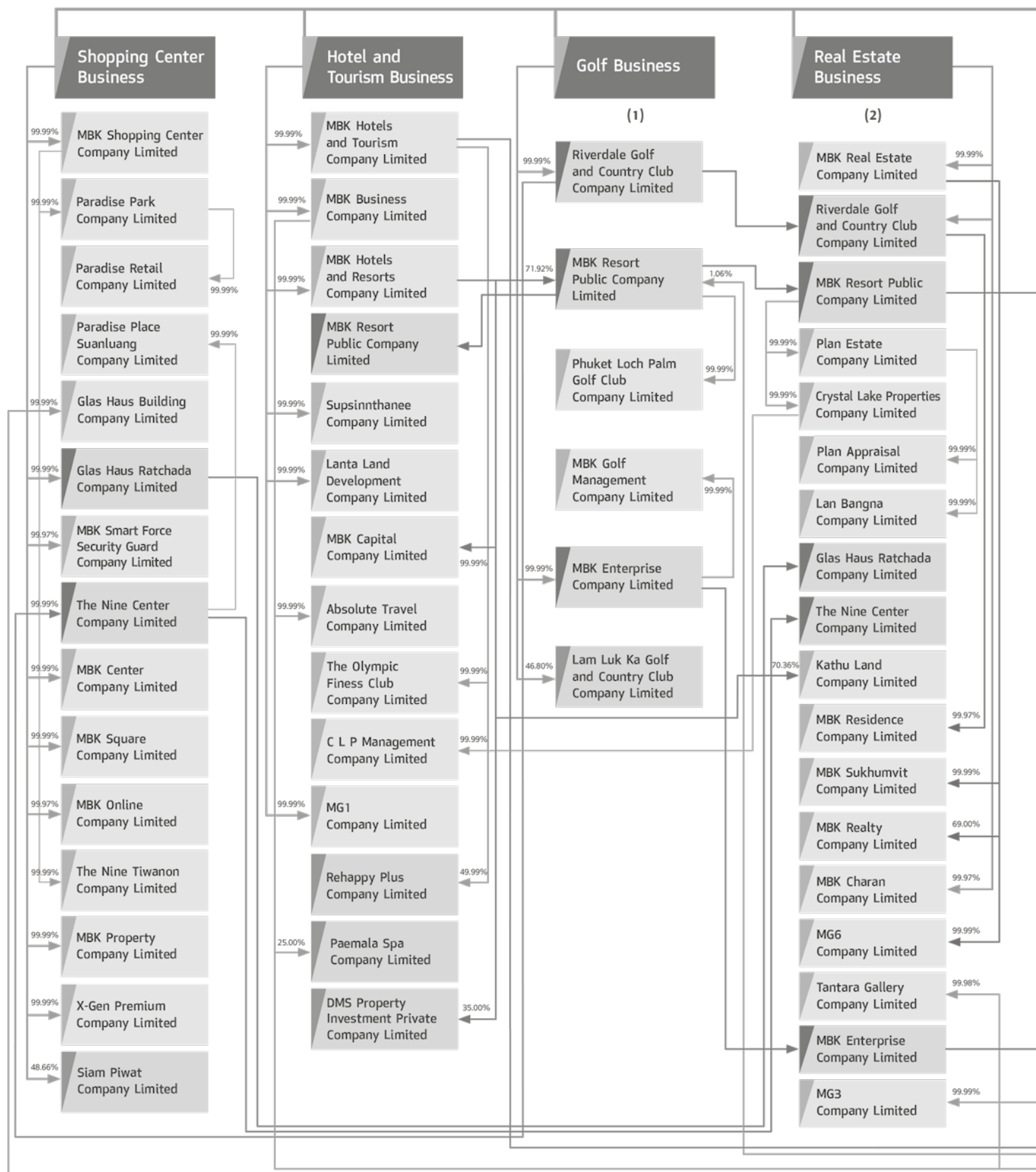
Vice President,
Juristic Act Department

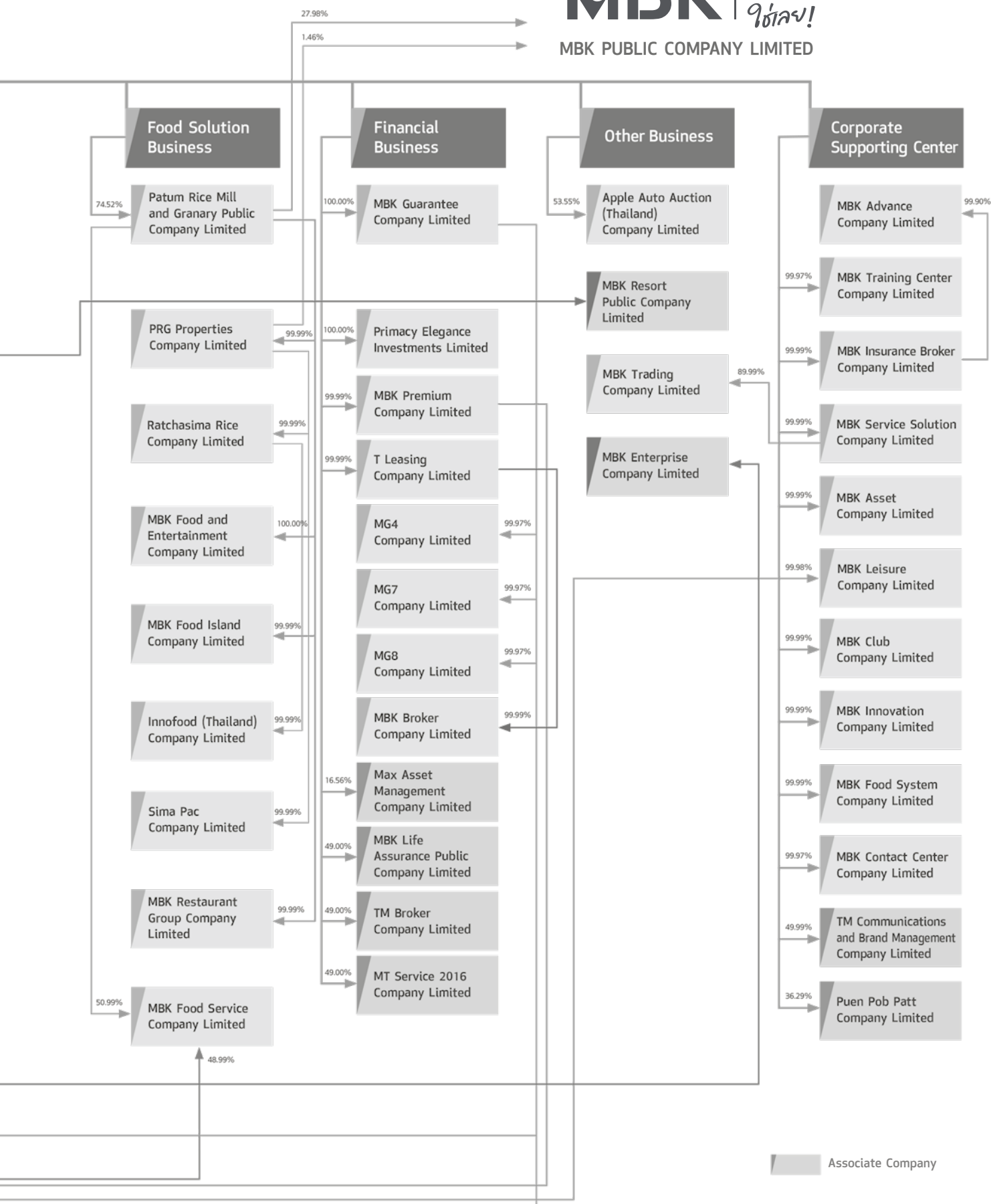
MR. APICHAT SUPADEJ

Vice President,
Financial Legal Services Department

SHAREHOLDING STRUCTURE OF MBK GROUP

December 31, 2020





NATURE OF BUSINESS OPERATIONS

MBK Public Company Limited (“MBK”) and MBK GROUP are engaged in key businesses as follows:

1. Shopping Center Business –

operated by MBK and MBK’s subsidiaries:

- The Nine Center Company Limited (“TNC”)
- Paradise Park Company Limited (“PDP”)
- Paradise Place Suanluang Company Limited (“PDPL”)
- Glas Haus Building Company Limited (“GHB”)
- Glas Haus Ratchada Company Limited (“GHR”) etc.

2. Hotel and Tourism Business –

operated by MBK’s subsidiaries:

- MBK Hotel and Tourism Company Limited (“MBK-HT”)
- MBK Hotel and Resort Company Limited (“MBK-HR”)
- MBK Business Company (“MBK-BUS”)
- Subsin Thani Company Limited (“SSTN”)
- Lanta Land Development Company Limited (“LLD”)
- Absolute Travel Company Limited (“ALT”) etc.

WELCOME

MBK CENTER



3. Golf Business – operated by MBK’s subsidiaries:

- MBK Resort Public Company Limited (“MBK-R”)
- Riverdale Golf and Country Club Company Limited (“RDGCC”)
- MBK Enterprise Company Limited (“MBK-EP”) etc.



4. Real Estate Business – operated by MBK’s subsidiaries:

- MBK Real Estate Company Limited (“MBK-RE”)
- Plan Estate Company Limited (“PST”)
- Plan Appraisal Company Limited (“PAS”)
- Crystal Lake Properties Company Limited (“CLP”) etc.



5. Food Solution Business – operated by MBK’s subsidiaries:

- Patum Rice Mill and Granary Public Company Limited (“PRG”) and PRG’s subsidiaries:
- PRG Properties Company Limited (“PRG-P”)
- Ratchasima Rice Company Limited (“RR”)
- Sima Pac Company Limited (“SMP”)
- MBK Food Island Company Limited (“MBK-FI”) etc.



6. Financial Business – operated by MBK’s subsidiaries:

- MBK Guarantee Company Limited (“MBK-G”)
- T Leasing Company Limited (“TLS”) etc.



7. Other Business – operated by MBK’s subsidiaries:

- Apple Auto Auction (Thailand) Company Limited (“AAA”)
- MBK Trading Company Limited (“MBK-TD”) etc.



8. Corporate Supporting Center – operated by MBK’s subsidiaries:

- MBK Training Center Company Limited (“MBK-TC”)
- MBK Club Company Limited (“MBK-CB”)
- MBK Contact Center Company Limited (“MBK-CC”) etc.

Major Changes and Developments in the Past Year

MBK Public Co., Ltd. (“MBK”) and its subsidiaries

Year 2020

• **August** MBK Public Co., Ltd. (“MBK”) adopted a resolution approved by the Annual General Meeting of Shareholders 2020 in order to significantly take actions as follows:

- To increase the registered capital of the company under the General Mandate from 1,694,923,000 Baht to 2,194,923,000 Baht by issuing 500,000,000 new ordinary shares with a par value of 1 Baht per share.
- To allocation of newly issued ordinary shares of the company under the general mandate of not more than 500,000,000 shares with a par value of 1 Baht per share or equivalent to 29.50% of the paid-up capital, to offer to the shareholders in proportion to their shareholding.

• **September** Paradise Park Company Limited (“PDP”)— an indirect subsidiary which MBK holds 99.99% of shares— purchased ordinary shares of MBK Broker Company Limited (“MBK-B”) from Bangkok-Tokyu Department Store Company Limited and PDP has held 50.00% of its shares.

• **November** MBK adopted a resolution approved by the Extraordinary General Meeting of Shareholders No.1/2020 in order to significantly take actions as follows:

- Reduction of the registered capital of the company from the original registered capital of 2,194,923,000 Baht to new registered capital of 1,694,923,000 Baht by reducing the ordinary shares reserved for the increase of registered capital under the General Mandate amount of 500,000,000 shares with a par value of 1 Baht per share which have been not allocated in the whole according to the resolution AGM 2020.
- To the issuance of the Company’s warrants to purchase ordinary shares No.1 (MBK-W1) in the amount of not more than 67,796,920 units for allocation to existing shareholders of the Company in proportion to their respective shareholdings at no offering price, (zero Baht) at the ratio of 25 ordinary shares to 1 unit of warrant (any fractions resulting from the calculation based on the allocation ratio set forth shall be rounded down), with a term of not more than 3 years from the issuance date, having an exercise ratio of 1 unit of warrant per 1 ordinary share at an exercise price THB 3 (the “Exercise Price”)
- To increase the registered capital of the company to reserve for the issuance of the Company’s warrants to purchase ordinary shares No.1 (MBK-W1) from the original registered capital of THB 1,694,923,000 to THB 1,762,719,920 by issuing not more than 67,796,920 new ordinary shares with a par value of THB 1 per share
- To increase the registered capital of the company under the General Mandate from THB 1,762,719,920 to THB 2,262,719,920 by issuing 500,000,000 new ordinary shares with a par value of THB 1 per share.

- To allocate not more than 67,796,920 newly issued ordinary shares for the exercise of the MBK-W1 Warrants, which will be issued to existing shareholders of the Company in proportion to their respective shareholdings.
- To allocation of newly issued ordinary shares of the company under the General Mandate of not more than 500,000,000 shares with a par value of THB 1 per share or equivalent to 29.50% of the paid-up capital, offering to the shareholders in proportion to their shareholdings.

The Nature of Business Operations

The Shopping Center Business

The MBK Center

MBK Public Co., Ltd. (“MBK”) operates the MBK Center.

Products and Services

The MBK Center is an integrated shopping center under the “One Stop Shopping” concept. It is located on an area of over 23 rai, comprising of a 20-storied office building, Pathumwan Princess Hotel building with 29 stories and an 8-storied shopping center. The MBK Center operates a retail business with more than 140,000-square-meter rental area under management of MBK Public Co., Ltd.

As of 31st December, 2020

The MBK Center Building has a total area of 270,685.57 square meters with space allocation as follows:

• Shopping center	142,985.31	Square Meters
• Office Tower	23,330.07	Square Meters
• Hotel	47,096.53	Square Meters
• Parking space	57,273.66	Square Meters

The details of areas in the MBK Center Building are as follows:

1. Area for rent includes the following:

1.1 Shopping center area (the MBK Center)	142,985.31	Square Meters.
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These areas consist of:

• Area rented out to stores	80,349.74 ¹	Square Meters
• Central area	62,635.57	Square Meters

1.2 Office area for rent (the MBK Tower Building)

Area from 9 th to 20 th Floors	23,330.07	Square Meters.
--	-----------	----------------

These areas consist of:

• Office area for rent	15,510.23 ²	Square Meters
• Central area	7,819.84	Square Meters

¹ The rental areas for general stores in the shopping center decreased in 2020 equals 1,326.78 square meters because of the renovation of areas on the G floor in Zone B, Center Zone on the 2nd floor in Zone B-C, the 3rd floor in Zone D, and the 4th floor in Zone A-D, the 5th floor in Zone D as the educational zone and some part of Zone C, and the 6th floor in Zone B-D.

² MBK TOWER's decreased office spaces for rent in 2020 equals 298.77 square meters because of partly conversion of the areas for rent on the 9th and 20th floors into offices of tutoring centers and Thanachart Group office.

2. Area not for rent includes the following:

2.1 Hotel area (Pathumwan Princess Hotel)	47,096.53	Square Meters
These areas consist of:		
• The Hotel's guest rooms (29 floors)	26,127.61	Square Meters
• Central area	20,968.92	Square Meters
2.2 Parking space	57,273.66	Square Meters

The area rented out by the MBK Center can be divided into two types as follows:

1. **Area for long-term rent** with the rental period of over three years and the rental fees collected in advance is calculated approximately 19% of the area rented.

2. **Area for short-term rent** with the rental period ranging from one to three years and the rental fees collected monthly is calculated approximately 81% of the area rented.

The Major Changes and Developments in the Past Year

In 2020, the changes and developments were made to the spaces inside the MBK Center. The changes and improvements are as follow:

- To renovate the rental area on the 5th floor in Zone A as the temporary Pathumwan Office of Passport Division (Department of Consular Affairs), with the area of approximately 1,500 square meters.
- To renovate the rental area and the central area on the 5th floor in Zone D as educational institutions, with the area of approximately 4,000 square meters.
- To renovate the rental area and the central area on the 6th floor in Zone D as educational institutions, with the area of approximately 1,500 square meters.
- To have the additional renovation of escalators on the central area "Open Well" from the 6th to the 7th floors, for both sides— the North and the South.
- To have the additional renovation of glass elevators on the central area around Sky Walk from the 2nd to 7th floors.

The Target Customers of the Shopping Center Business

1. **Tenants renting space for their businesses in the shopping center** - These tenants include the following:

- **Anchor Tenants** include entertainment service providers, movie theaters, department stores, mobile devices and accessories shops, banking center, and camera centers. MBK Center selects a variety of tenants that offer products and services that match the demands of both local and foreign customers.

Top 10 main tenants as of 31 st December, 2020		(Unit: Square Meters)
1	SF Corporate Public Company Limited	17,288.32
2	Bangkok Tokyu Department Store Company Limited	12,000.00
3	MBK Food Island Company Limited	3,719.37
4	Thoresen Thai Agencies Public Company Limited	1,543.28
5	Department of Consular Affairs	1,515.24
6	Central Food Retail Company Limited	1,361.00
7	Siam Wellness Group Public Company Limited	615.49
8	Bata Shoe of Thailand Public Company Limited	434.65
9	Foto File Company Limited	349.69
10	Amarin Book Center Company Limited	325.00

- **Retail Tenants** They are retail shops. As well, these tenants have been carefully selected. The Company wants to make sure that their goods and their services are of good quality and varieties.

2. Customers MBK Center supports various users— foreigners, Thai people, students, and working people.

The Marketing and Competition

1 The Selling and Distribution Channels of the MBK Center

MBK makes use of the direct sales approach to promote the sales of rental spaces in the MBK Center. Offers are made to target groups which are stores capable of attracting customers to use services available in the shopping center as well as helping enhance the image of the shopping center.

During the past three years, there is not any tenant in the MBK Center, who accounts for over 30% of MBK's total revenues.

2 Competition in Shopping Center Business

In 2020, it was the highly challenging year for the retail business, particularly, the epidemic outbreak of Corona Virus Disease (COVID-19), causing the retail business to have to adapt itself in order to survive and change its operational strategies to be align with the consumer behavior.

The mentioned pandemic led to lockdown measures, affecting the retail business very much. Although in June the measures were eased and the Shopping Center Business was permitted to reopen, the retail business still had to recover because several large shopping centers in Thailand still had to depend on foreign purchasing power. Also, tenants possessing rental areas in the shopping centers had to arrange the areas in order to match the changing consumer behavior in terms of convenience, hygiene, flexibility, and using the online system in order to increase the business's more channels.

Nowadays, MBK Center has conducted Online to Offline marketing (O2O) or the Omni Channel which increases more various channels of providing services by opening MBK Center's online selling channel on Lazada for the seamless shopping experiences between offline and online channels. Also, AI technology is used for the analysis of fundamental data and customer behavior. Such obtained data are used for management and business planning in order to further increase competitiveness in the retail business.

Apart from planning for support for digital-technological changes, MBK Center has emphasized the importance of listening to customers' opinions or recommendations through various channels, marketing research in order to study behavior of both Thai and foreign customers and regularly assess their satisfaction in order to find changing needs and expectations of each target group. They will be used to formulate the organization's strategies annually. For the product and service strategies, there is a process of selecting stores in order to sell products which match customers' needs and quality is reasonably related to prices. For the marketing event strategy, MBK Center has organized new marketing events to catch up with consumers' trends through marketing collaboration with different businesses. It is important that this collaboration helps expand a new customer base which new customers come in to get more services. Therefore, MBK Center has then focused on collaborate with business alliances in order to adapt itself



to catch up with a competitive situation of the Shopping Center Business. Moreover, MBK Center has stressed the importance of providing services of every level of employees through cultivating the organization's every employee to be service-minded and mainly focusing on customers. As aforementioned, all partly contribute to impressive experiences so that customers come back to have services again.

3 The Industry Trend and Future Competition of the Shopping Center Business

In 2020, the volume of the retail market slowed down because of the impact of the epidemic outbreak of Corona Virus Disease (COVID-19) on Thai retail business. This impact was through 3 main channels as follows:

1) Tourism: A hugely decreased number of tourists had an impact on retail stores which their incomes mainly depended on tourists. During 4-5 previous years, the domestic consumer situation tended towards continuously sluggish purchasing power, retail entrepreneurs turned to depend more on tourists, particularly tourists from China which its proportion was almost 30% of all tourists.

2) The confidence and domestic purchasing power which decreased: Although shopping centers or stores took opportunity to have more volume of sales through the online channel during this crisis, it was not enough if compared with the former volume of sales. This had an impact on the retail business's hugely decreased incomes.

3) Supply Chain Disruption: From the disruption to production and importation of products, there was a possible shortage of products' inventories if depending on the importation of products from countries which had lockdown measures, meanwhile an inventory of domestically-produced products was enough but entailed risk which had to be followed in case that the epidemic outbreak of Corona Virus Disease (COVID-19) spread out wider and might have an impact on delays in the distribution of products.

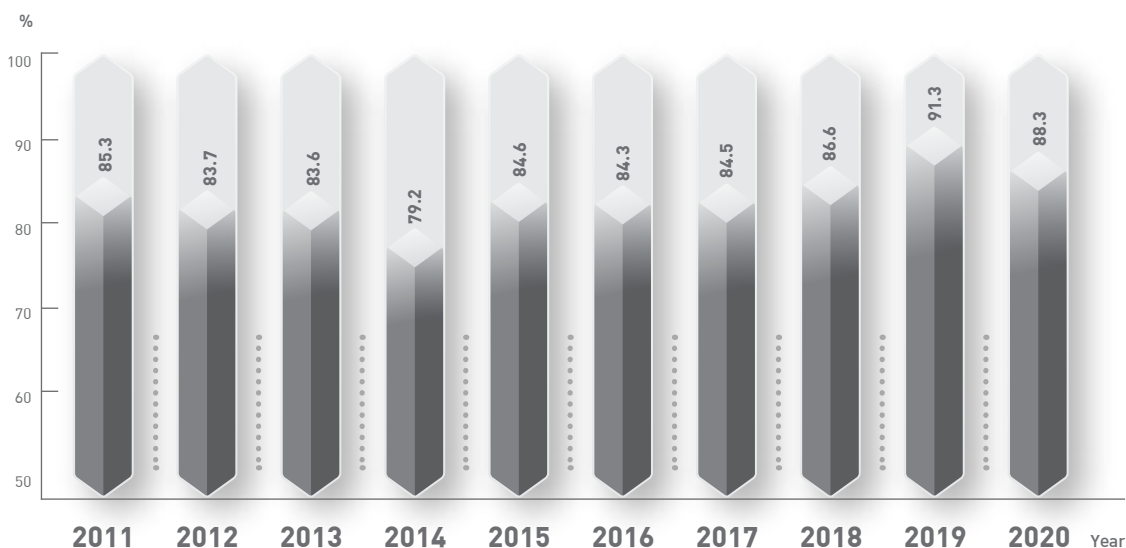
However, as a result of eased measures to control the pandemic, together with taking measures to stimulate the economy which encouraged the public sector's purchasing power such as "Taste-Shop-Consume" measure (or Chim-Shop-Chai in Thai), "Shopping and Getting Refunds" measure (or Shop-Dee-Mee-Kuen in Thai), "We Travel Together" campaign (or Rao-Tiew-Duay-Kan in Thai), and "Go Halves" campaign (or Kon-La-Krueng in Thai). These measures and campaigns bettered the retail business in the last quarter of 2020 to a certain degree.

4 The Information on Customer Satisfaction

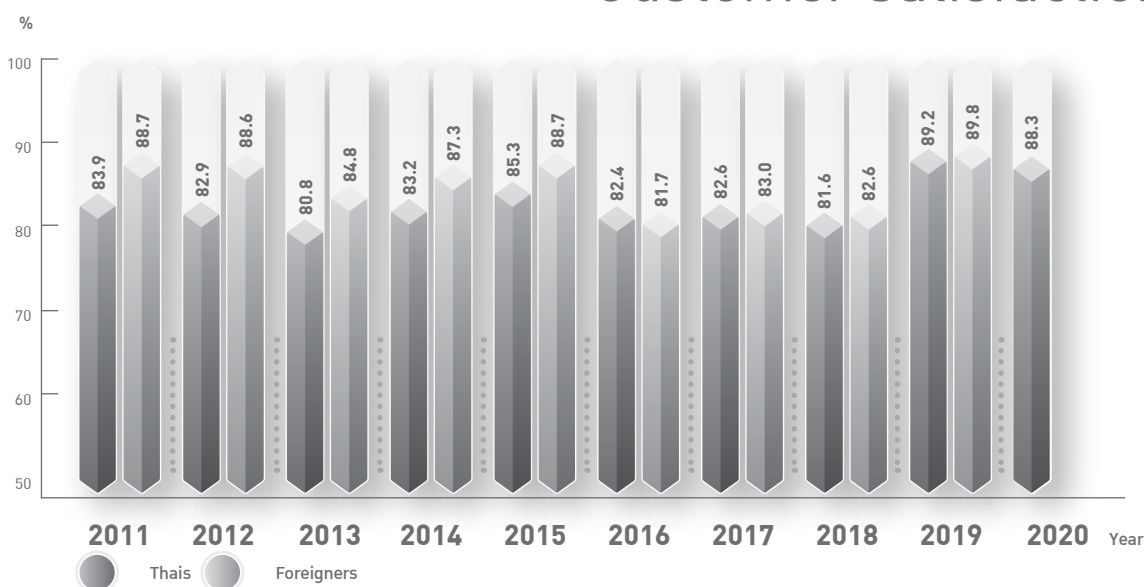
The MBK Center operates its business by emphasizing on continuous and sustainable growth as well as focusing on financial growth, along with providing satisfaction to customers—the tenants as well as Thai and foreign customers. The overview of satisfaction for the year 2020 showed that the tenant satisfaction was 88.3%. Thai customer satisfaction was 88.3%. The overall satisfaction was higher than 80% or at "Very satisfied" because of many improvements in terms of the improvement of providing services in order to make impressions, increasing new stores, and organizing activities which met the interest of the customers.



Tenant Satisfaction



Customer Satisfaction



Remark: Foreign customers were omitted from a survey of the customer satisfaction conducted in 2020 because of the epidemic outbreak of Corona Virus Disease (COVID-19).

The customer satisfaction reflects the services given by various aspect of MBK Center. Listening to voices of customers allows MBK Center to use it as guidelines to establish marketing strategy in order to develop and improve the services. These will also lead to giving services in various aspects that will create the highest satisfaction and appropriately meet the tenants and the customers' demand.

The Product or Service Procurement

1 The procurement of products to be distributed

- None -

2 The process of reducing environmental impacts

As shown in the report on the sustainable development for the year 2020

The environmental conflicts

- None -

The Nature of Business Operations of Other Shopping Centers

Other Shopping centers that are operated by MBK, its subsidiaries companies are as follow:

- 1) The Paradise Park, currently operated by Paradise Park Company Limited.
- 2) The Paradise Place Building, currently operated by Paradise Place Suanluang Company Limited.
- 3) The Nine Center, operated by The Nine Center Company Limited.
- 4) Glas Haus Building (Sukhumvit), currently operated by Glas Haus Building Company Limited
- 5) Glas Haus Ratchada Building, currently operated by Glas Haus Ratchada Company Limited

The Paradise Park and the Paradise Place Building

Products and Services

The Paradise Park manages a short-term and long-term rental shopping mall business which the focus is on management to earn from renting out shopping areas to entrepreneurs, earn from renting out spaces for billboards, earn from activities of new product launches and others. Paradise Place Building runs the business of spaces for rent in order to be used as offices and educational institutes.

The Paradise Park, located in the area of approximately 23 rais (37,784 square meters), consists of the commercial area (stores), restaurants, education centers, offices, cinemas, and parking spaces. All are managed by Paradise Park Company Limited.

As of 31st December 2020,

The Paradise Park, with the total area of 280,884.60 square meters, is divided into

- | | | |
|-----------------------|------------|---------------|
| • The commercial area | 87,789.85 | square meters |
| • The office area | 2,940.40 | square meters |
| • The central area | 61,375.86 | square meters |
| • The parking space | 115,946.43 | square meters |

The Paradise Place Building, located in the area of approximately 8 rais (12,930 square meters), consists of the commercial area (stores), restaurants, education centers, offices, and parking spaces. All are managed by Paradise Place Suanluang Company Limited.

As of 31st December 2020,

The Paradise Place Building, with the total area of 41,810.84 square meters (Excluding the roof-deck), is divided into

- | | | |
|-----------------------|-----------|---------------|
| • The commercial area | 13,594.22 | square meters |
| • The office area | 8,145.00 | square meters |
| • The central area | 11,616.55 | square meters |
| • The parking space | 8,455.07 | square meters |

The Major Change and Development in the Past Year

The Paradise Park

In 2020, the Paradise Park renovated spaces in different zones and repaired equipment inside the shopping mall in order that it could have modernization as well as more products, services, and facilities as follows:

- To increase the efficiency of the electricity system and services inside the shopping center by using a maintenance management program, My Saas program, and a retail management system with the aim of management leading to the continuity and efficiency of an interior engineering system.
- To open new tenants' services such as Thai Furniture Association (TFA), Kidkudo School, Tuagom Go Academy, BV Clinic, Skechers, FWD, Royal Groom, Dookki Topokki, Daruma Sushi, Healthy Food, Sukishi Foodville, and Eat Well-and-Live Well Zone, in order to provide customers with a wider variety of products and services.

The Paradise Place Building

In 2020, the Paradise Place Building renovated various zones in order to have modernization as well as more products, services, and facilities, through opening new tenants' services such as KDoo Korea Mall, Windsor World Education Center, MBK Life Assurance Public Company, TM Broker Company Limited, and MT Service 2016 Company Limited.

The Marketing and Competition Situation

1 The Selling and Distribution Channels of Shopping Center Business

The Paradise Park finds a category of tenants by emphasizing on selecting products and stores to match its target groups of customers through the arrangement of areas according to a category of stores—the food business, fashion, banks, educational institutions, beauty clinics, jewelry, services, and other businesses. The Paradise Park will select stores which are leading brands, and the quality of their products and services are equal to or beyond a benchmark employed in such business.

2 The Competitive Situation of the Shopping Center Business

In 2020, the negative factor from the epidemic outbreak of Corona Virus Disease (COVID-19) decreased the domestic purchasing power, having a direct impact on the shopping centers. On the contrary, it has a positive effect on business's online platform because the change of behavior and social distancing of consumers. Moreover, the competition from neighboring shopping centers had changes in order to cope with the occurred situation as follows:

Seacon Square, in the 3rd quarter of 2020, invested in the innovation of approximately 27,000 square meters in order to increase the business's wide variety such as car accessories stores, healthy food, and co-working spaces. According to the approach strategy, it was planned to support the Yellow Line's passengers. It was expected that





a positive factor from the opening of the Yellow Line (Lat Phrao-Samrong route) in late 2021 would have an opportunity to attract more services users. This was the largest renovated areas since the opening of Seacon Square. Also, areas on G floor, the 2nd floor, and the 3rd floor on Robinson Department Store's side were renovated for the MUNx2 Project (Mun Mun in Thai) in order to satisfy the need of the new generation from all genders and all ages. Its highlight was the center of stores, restaurants, and various activities which differentiated Seacon Square from other shopping centers by carving out stores' niche for their remarkable features such as environmentally friendly products, including stores selling toys and collectables, Thailand Creative and Design Center (TCDC), Creative Food and Retail, and co-working spaces such as Too Fast To Sleep.

Mega Bangna In 2020, several operational strategies were adapted to meet the need of customers with the concept of "the Meeting Place" of consumers who lived on the east side of Bangkok. It was more than just a shopping place, it was a meeting place of their families and friends. The strategies were adapted to more specific need of the customers.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

- The Outdoor Air Quality Owing to the Cooling Tower System

The cooling tower system is a part of the water cooling system to blow the cool wind in the shopping center. The engineer department has monitored the Legionella bacterial contamination (1) Legionella Spp. (2) Coliform Bacteria (3) Escherichia Coli in the system. As a result, they have collected water samples from cooling tower to the operating room for Legionella bacterial detection 12 times per year. (Once a month)

- The Indoor Air Quality

The Paradise Park and the Paradise Place Building have improved the indoor environmental quality through designing the installation of aspirating aerators in order to control the amount of carbon dioxide so that it will not exceed 1,000 ppm and clean the supply air ducts in central areas and shops in order to remove dust, bacteria, and other microbes that accumulate in the supply air ducts to improve indoor air quality. Moreover, the indoor air quality is regularly analyzed every 2 years, as well as an ozone generator used in the Air Handling Unit's room (AHU) in order to remove bad smells and kill germs inside the room before the distribution of the conditioned air through the shopping center.

For the measures to prevent Corona Virus Disease (COVID-19), the shopping centers strictly follow the measures set by Bangkok and the Ministry of Public Health by preparing the preventive measures as follows:

1. To prepare thermometers installed at every entrance to the shopping centers.

2. To prepare alcohol-based hand sanitizers at many spots inside the shopping centers.
3. To clean the surface of materials every 30 minutes such as escalators' handrails, guard rails, door knobs, tables, and chairs.
4. To stick stickers indicting "Social Distancing" to many spots in the areas.
5. To mark standing points on escalators and inside elevators for the social distancing.

2) The reduction in noise-related impacts

-None-

3) The reduction in waste-related impacts

The Paradise Park and the Paradise Place Building have sorted toxic waste or infectious waste out such as light bulbs and hygiene masks in order to properly dispose of the waste.

4) The reduction in water-related impacts

• The Water Treatment

The Paradise Park and the Paradise Place Building have highly placed importance on saving the environment by controlling a wastewater treatment system which complies with standards stipulated by the Pollution Control Department. Performance's records and reports have been continuously submitted. Water samples are collected and sent to a laboratory every month in order to test the quality of water and submit a report to the Environment and Sanitary Section, Prawet District Office every month. Wastewater can be treated according to Building Type Kor (referring to the Enhancement and Conservation of National Environmental Quality Act, B.E. 2535).

• The Indoor Tap Water Quality

The Paradise Park and the Paradise Place Building have operated to measure tap water quality in several points of the buildings comparing to the drinking water standard through the operating plan every year.

5) The reduction in other environmental impacts

• The Environmental Bureaucracy's Monitor

Related agencies are responsible for monitoring owners of premises to work on the environmental impacts due to premises activities compliance with the standard and building control regulations. The bureaucracies that the Paradise Park and the Paradise Place Building have cooperated with are namely:

- The Pollution Control Department, the Ministry of Science, Technology and Environment
- The Department of Health, the Ministry of Public Health
- The Water Quality Control Division, Bangkok
- The Department of Energy Business, the Ministry of Energy

• The Sustainable Environment Projects in the Future

For the year 2021, additional projects are:

- To reduce plastic bags and foam boxes used by tenants in the Paradise Park according to the Government's campaign to reduce the use of plastic bags and foam boxes.
- The shopping centers has a project "Solar Rooftop" to study the installation of solar cells which the electricity's source is the sun for the sake of using renewable energy, reducing costs of electricity, reducing the rooftops' heat, and reduce the workings of an air conditioning system which helps save money on electricity bills.
- The shopping centers has a project to study the installation of the Electric Vehicle (EV) charging stations for EV Chargers in order to supply electric energy for the recharging of electric cars which helps reduce the volume of exhaust fumes, dust, and toxic gases as well as supporting the customers who increasingly use electric cars.

The Nine Center

Products and Services

The Nine Center offers rental spaces within the mall, consisting of:

- | | | |
|-----------------|--------|---------------|
| • Office spaces | 9,306 | Square Meters |
| • Retail spaces | 15,174 | Square Meters |

Major Changes and Developments in the Past Year

The Space development and renovation were done with the purpose of creating varieties and meeting the need of target groups of the service users. The Nine Center provided more stores— Healthy Planet which is the store of products for anyone who wants to be healthy, beauty clinics, THE WISDOM, Beauty & Wellness, restaurants such as Bonchon Chicken, SHAKARIKI 432, BUGENDAI TEPPANYAKI, SUBWAY and common stores like clothing stores and accessory stores such as KupeKupe, Kupe Bridal, Mom World Bkk and fashion bag stores such as WISHLIST COLLECTION and WISHLIST COAT.

The Marketing and Competition Conditions

1 The Distribution and Distribution Channels of The Nine Center Business

Rental spaces within the Nine Center are directly offered to sell to tenants as a target group which is favored by most customers and can attract new groups of the customers to come to use services more in the shopping center.

2 The Competitive Situation of Shopping Center Business

• The Direct Competitors

Thanya Shopping Park which is located on Sri Nakarin Road, and Market Today which is located on Krunghthep Kreetha Road, are community malls like the Nine Center. They have the same style of shops and products as well as located within a radius of 3 kilometers.

• The Indirect Competitors

The market conditions of a nearby shopping center are as follow:

HomePro Rama IX, with an area of 26,000 square meters, is run by Home Products Center Public Co., Ltd. It is viewed as an indirect competitor of The Nine Center. Inside HomePro, it mainly focuses on selling household devices and lifestyle products. Also, “Bike Club”— a full-service bicycle shop— as well as restaurants, coffee shops are situated inside HomePro. According to the location of HomePro, it is situated before the exit of Sri Rat Expressway, service users who take the exit from Sri Rat Expressway have to pass the Nine Center before making a U-turn to go to HomePro.

3. The Entry of New Competitors

- None -

4. The Internal Environment

The Nine Center is located on Rama 9 Road. To the south, it is adjacent to Rama 9 Road and Soi Rama 41 to the east. It consists of 9 buildings in 2 formats: the retail space and office space. The rental space comprises of more than 100 shops from various business operators such as restaurants for food and beverages, coffee shops, bakeries, and services such as educational institutions, beauty salons, gyms, and financial institutions. The shopping center emphasizes on the selection of outstanding restaurants and the offer of impressive atmosphere for customers. It is used for the meeting with their friends because of its convenient location near to their offices and residential areas.

After 9 years of operation, the Nine Center has become better known by increasing customers. There is an activity area designed for organizing various marketing activities in every season. These organized marketing activities attract the media's continuous attention. Besides, the Nine Center is the only community mall on Rama 9 road that greatly answers all the needs of the local people, allowing the Nine Center itself to support the customers' purchasing power in the Eastern part of Bangkok and become the new meeting point that answers to every lifestyle with variety of activities on a relaxing day under the homely atmosphere that everyone can experience.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

-None-

2) The reduction in noise-related impacts

-None-

3) The reduction in waste-related impacts

-None-

4) The reduction in water-related impacts

- **Wastewater Management**

The Nine Center has installed the standard Wastewater Management System, which is the biochemical treatment system with activated sludge by using microorganism sediments as the main treatment. Samples of wastewater are tested in a standard laboratory certified by the Pollution Control Department (PCD) every month to ensure the quality of water before being released to public. The Nine Center has also hired a professional contractor to remove and eliminate the excess sludge by a sanitary method.

- **Water Supply Quality**

The Nine Center has hired a team of experts to collect sediment samples from two water tanks to measure the quality of water supply and compare it to the standard of drinking water continued.

5) The reduction in other environmental impacts

- **Pest Control**

The Nine Center has set a policy to control vectors within the shopping center and prevent its effect on the neighboring communities. The integrated pest control (IPM) and cautions about pre-and-post practices of getting rid of vectors are provided for tenants of the Nine Center every month.



- **Maintenance of Plants and Trees**

The Nine Center has established a plan to nurture all the plants in the shopping center. Natural methods like bio-pesticides consisting of organic substances and dried manure—odorless and insect-free—are used to improve the soil in order to have no effect on the environment and service users.

The Glas Haus Building (Sukhumvit)

Products and Services

The Glas Haus Building Co., Ltd. manages “real estate leasing” business which has a long-term and short-term rent building with the rental spaces of 12,000 square meters. Its main income is from leasing areas for locating an office for several businesses and including embassies’ location such as the Embassies of Argentina and Peru. The main income is also from a parking service which focuses on office tenants. The Glas Haus Building is operated by MBK Square Co., Ltd.

The Major Changes and Developments in the Past Year

- None -

The Marketing and Competitive Situation

1 Selling and Distribution Channels of the Glas Haus Building Business

The Glas Haus Building aims at foreign tenants that need an office space between 100-200 square meters during the beginning of their business investment in Thailand. The company expects that words of mouth will help increase the number of tenants.

2 The Competitive Situation of the Glas Haus Building Business

The overall picture of the Glas Haus Building in 2020, there was an increasing number of new competitors entering the market as well as uncertainty about renewing the land contract with the landowner. These factors did not encourage the increasing of space rentals. Currently, the Glas Haus Building has 85% of rental occupancy.

The Procurement of Products or Services

1 The Nature of the Procurement of Products for Selling

The Glas Haus Building has a skilled and experienced building management team to manage the building. This also includes several building business in the group allowing the Company to negotiate the price with the service suppliers such as elevator service, security service, cleaning service, electricity system maintenance service and etc. This also gives the Company opportunities to control the quality of services to be of the quality and efficiency.

2 The Process of Reducing Environmental Impacts

1) The reduction in air-related impacts

The Glas Haus Building is the cooling tower-operated building for making cool water and provide it within the building for the tenants. The building’s engineers

clean the air conditioning system every month and the cool water supplied to the system has to be tested in a laboratory every month. Fresh air is also ventilated inside the building in order that the tenants have fresh air. The engineers also well take care of emitting pollutions out of the building by controlling burning materials as well as waste in the areas in order not to make a direct environmental impact.

2) The reduction in noise-related impacts

In order to reduce an impact of noises at work on tenants, the Glas Haus Building has set a plan to repair machines on different floors every month in order to make noises affecting the working of tenants at the least degree.

3) The reduction in waste-related impacts

Nowadays, the Glas Haus Building Co., Ltd. has sorted toxic waste out from general waste like light bulbs for the disposal of toxic waste. The District Office of Bangkok Metropolitan Administration (BMA) is hired to get rid of such toxic waste.

4) The reduction in water-related impacts

The Glas Haus Building realizes the impact of a water treatment process from wastewater to clean water before it is shredded. The Glas Haus Building resolves the water problem before shedding it through processes in order to reduce or eliminate the contaminated dirtiness in restrooms— grease, organic substances, inorganic substances, toxins, and diseases— completely or best follow standards before shredding into sewers. The building sends already treated water before releasing into the public space for checking its quality every month in order to follow the standards and also submits the report to the District Office every month.

5) The reduction in other environmental impacts

-None-

The Glas Haus Ratchada Building

Products and Services

The Glas Haus Ratchada Building manages “real estate leasing” business which is a leasing office building rental space of approximately 7,500 square meters. The office building is located on Ratchadaphisek Road near MRT. The Glas Haus Ratchada Building is an office building for both long-term and short-term rent. It focuses on tenants of office spaces for various business.

The Major Changes and Developments in the Past Year

In 2020, the Glas Haus Ratchada had the improvement as

The Glas Haus developed the landscape around by painting pavements and trimming trees around the building in order to be look clean.

The Marketing and Competitive Situation

1 Selling and Distribution Channels of the Glas Haus Ratchada Building Business

At present, the Glas Haus Ratchada Building is fully 100% rented. The tenants are Thanachart Bank and increasing retail stores which more meet the life style need of employees in the areas. Moreover, the Company developed the website in order to promote and publicize the Glas Haus Ratchada Building’s details such as area sizes, example areas and advertising areas in order to access to information of people who want office building spaces in Ratchada zone.

2 The Competitive Situation of the Glas Haus Ratchada Building Business

At the moment 100% of the space within the Glas Haus Ratchada Building is occupied by Thanachart Bank.

The Glas Haus Ratchada Building realizes that Ratchada Road has an increasing number of office buildings to relieve the density in the area at A level. Moreover, the communication and transportation nowadays is more convenient while there are also more shopping centers open on Ratchada Road as well as condominium buildings. Therefore, in the future, there should be more demands of rental space on this road.

The Procurement of Products or Services

1 The Nature of the procurement of Products for Selling

The Glas Haus Ratchada Building has a skilled and experienced building management team to manage the building. Moreover, due to the operating of several building businesses in the group allowing the Company to negotiate the price with the service suppliers such as elevator services, security services, cleaning services, electricity system maintenance services and etc. This also gives the Company opportunities to control the quality of services to be of the quality and efficiency.

2 The Measures against Environmental Effects

1) The reduction in air-related impacts

The Glas Haus Ratchada Building has used the Cooling Tower System and the water cooling system. The engineering department of the building is well aware of the importance of the monthly cleaning of the air cooling ventilation system and the laboratory test of the quality of the cool water that is distributed into the system. The building also has a fresh air ventilation system within the building so that the tenant will have quality air. At the same time there is a system to release polluted air out of the building. The Glas Haus Ratchada Building has also has a measure to control the burning of any materials or trashes within the building in order to prevent any direct effect on the environment.

2) The reduction in noise-related impacts

In order to prevent the problem from noises within the office of the tenants, the Glas Haus Ratchada Building has set up a maintenance plan for machines installed on each floor on monthly basis so that there will be a minimum of noises interfering the work of the tenant.

3) The reduction in waste-related impacts

At present, the Glas Haus Ratchada Building has separated dangerous waste, such as light bulbs, from general waste and hired Din Dang District Office to get rid of this waste.

4) The reduction in water-related impacts

- The Glas Haus Ratchada Building realizes the importance of the water system of the building including the system to release wastewater from the building and the water supply system. The building has checked the quality of water in every 6 months to make sure it is up to the standard of drinking water. The building also informs the tenants to add more water filters on every floor. As for the waste water, the Glas Haus Ratchada Building has treated the wastewater before releasing it out of the building. At the same time the building will test the quality of the wastewater before releasing it to the public system in every 6 months. The Glas Haus Ratchada Building also hires Din Dang District Office to either get rid of or recycle the residues from wastewater.

- The Glas Haus Building Ratchada has realized the impact of treating wastewater to be clean water before shedding it into drains. The Building solves the problem of water released into the system by means of processes in order to reduce or eliminate contaminated dirtiness in restrooms— greases, organic substances, inorganic substances, toxins, and diseases— completely or best follow standards before releasing it into the drains. The Building sends already-treated water before shredding into the public space to be checked every month in order to be accordance with the standards and also submits the report to the District Office every month.

5) The reduction in water-related impacts

-None-

The Hotel and Tourism Business

The Hotel Business

Hotel business is managed and supervised by MBK Hotels and Tourism Company Limited (“MBK-HT”), operated by MBK Business Company Limited (“MBK-BUS”), MBK Hotel and Resorts Company Limited (“MBK-HR”), Supsinthanee Company Limited (“SSTN”), MBK Resort Public Company Limited (“MBK-R”), Lanta Land Development Company Limited (“LLD”), Absolute Travel Company Limited (“ALT”) and MG1 Company Limited (“MG1”). The Hotels which have been opened for business include the following:

1. Pathumwan Princess Hotel, in Bangkok. It has been opened for business since 1996.
2. Dusit Thani Krabi Beach Resort, in Krabi, which has been operated since early 2003, has changed its name from “Sheraton Krabi Beach Resort” to “Dusit Thani Krabi Beach Resort” since July, 2015.
3. Tinidee Hotel@Ranong (former Royal Princess Ranong Hotel), in Ranong. The Hotel was already in operation before MBK acquired shares in SSTN on August 20, 2002.
4. Tinidee Inn, located in the same area as Tinidee Hotel@Ranong. The Hotel has been opened since April, 2011.
5. Tinidee Golf Resort@Phuket Hotel is located in Phuket. The Hotel has been opened since November, 2010.
6. Layana Hotel is located on Lantayai Island in Krabi. The Hotel had already been open before the takeover from MBK in April, 2011.
7. Tinidee Hotel@Bangkok Golf Club, taken over by MBK-HT since November, 2016. It was closed for renovation and then officially opened since 1st November 2018.
8. Hideaway@Tonsai Beach Krabi, around Tonsai Beach. The Hotel was officially opened on 28th December 2020.

MBK-HT was founded in 2010 to manage associated hotels and offer hotel management services to hotels in Thailand and abroad. In addition to managing associated hotels as defined above, MBK-HT has also managed a club House inside the Riverdale Golf and Country Club, the Loch Palm Golf Course and the Red Mountain Golf Course, as well as being an outsourcing provider for managing The Olympic Fitness Club at Pathumwan Princess Hotel which has been operated for 22 years and opening 2 more branches of The Olympic Fitness Club. Currently, there are 3 fitness clubs under the brand of the Olympic Club— the first branch is at Pathumwan Princess Hotel, the second branch is at Paradise Park, and the third branch is at Tinidee @ Bangkok Golf Club.

Pathumwan Princess Hotel

Products and Services

Pathumwan Princess Hotel is located in Bangkok and operated by MBK Hotels and Tourism Company Limited (“MBK-HT”). The Hotel has commenced operations since 1996. The Hotel offers services in several accommodations such as 455 guest rooms which are all non-smoking, banquet rooms, seminar rooms and ballrooms, meeting rooms and fitness centers.



The Major Changes and Development in the Past Year

In 2020, Pathumwan Princess Hotel had a renovation project in Phase 3 and Phase 4 for 227 guest rooms in total, from the 15th floor to 22nd floor. The newly renovated guest rooms were Deluxe Classic rooms and Grand Deluxe rooms. Their design and decoration were modern and aligned with Phase 1 and Phase 2, focusing on guests' more convenience while staying. Amenities and facilities in different points were provided such as the Motive Sensor System— a lighting control system inside guest rooms— and changing new furniture in order to respond to more functions.

The epidemic outbreak of Corona Virus Disease (COVID-19) all around the world caused tourists to cancel all inbound travels. Lockdown measures were implemented by the public sector. Venues in risk areas were ordered to close, including hotels where were temporarily closed. Moreover, protests in Thailand had an impact on the overall economy more. The Hotel had to increase a strategy to sell monthly-based guest rooms, focusing on guests who came for medical treatment, mostly businessmen or expatriates (expats). Moreover, the Hotel provided a food delivery service during this situation mentioned above.

After the re-opening of the Hotel in July, the public sector had a supportive policy to help establishments through “We Travel Together” campaign. It helped the Hotel mainly focus on Thai guests for using services or staying. Also, the Hotel participated in raising Thailand's tourism industry in terms of hygiene standards. This project was the cooperation between Tourism Authority of Thailand (TAT), the Ministry of Tourism and Sports, and other related agencies. However, training in standards according to the Amazing Thailand Safety and Health Administration (SHA) was provided for employees in order that they had the same code of conduct.

Moreover, the Hotel focused on marketing and public relations through online channels such as organizing promotions through www.pprincess.com and Online Travel Agent, having reviews of the Hotel carried by social media bloggers. The Hotel, together with alliances from the local wholesale market, provided product training in order to further increase new alliances.

Awards Received in 2020

- “SHA-Amazing Thailand Safety & Health Administration”
- “Certification of Thailand Tourism Standards in the Category of 5-Star Thai Hotels”
- “Thailand Labour Management Excellence Award 2020”
- “Haute Grandeur Awards 2020” Best General Manager on a Global Level
- “Haute Grandeur Awards 2020” Best Activity Hotel in Asia
- “Haute Grandeur Awards 2020” Best Restaurant Hotel in Thailand
- “World Luxury Hotel Awards 2020” Luxury City Hotel
- “World Luxury Restaurant Awards 2020” Magnificent Scenic Views
- Agoda2020: Customer Review Awards
- Hotel.com: Loved by Guests Awards Winner 2020
- Holiday Check Award 2020

The Target Group of Pathumwan Princess Hotel

Because of the epidemic outbreak of Corona Virus Disease (COVID-19) all around the world, it has had an impact in the same direction. A number of foreign tourists have stopped coming to Thailand since April which was the time when Thailand announced to cease inbound flights, resulting in a change in the Hotel's customer groups in 2020 as follows:

The Main Customer Group consists of Thai guests coming from Thailand's domestic tourism promotion and long stay guests.

The Minor Customer Group consists of foreign existing guests from different countries who reside in Thailand and special tourist visa guests.

The Marketing and Competition

1 The selling and distribution channels of Pathumwan Princess Hotel

The effect of the epidemic outbreak of Corona Virus (COVID-19) has adapted Pathumwan Princess Hotel's channel of distribution to changing situations as follows:

- To sell directly to companies, commercial establishments and educational institutions through providing special price for guest rooms and the organization of seminars.
- To sell through local travel agencies and overseas tour operators in different regions of the world through providing special price for tour operators from several regions of Thailand in order to satisfy the need of Thai tourists, including special price for foreign tour operators in order to be prepared for selling guest rooms in advance for foreign tourists who want to go abroad.
- To sell through electronic media channels or website, emphasizing the Hotel's own website through providing special price exclusively for Thai tourists.
- To co-sell with the public sector's projects in order to stimulate the domestic tourism for "We Travel Together" campaign.
- To sell through leading airlines' systems.
- The package promotion named "Hotel Credit".
- To sell through the hospital's system through co-organizing activities with leading hospitals such as Bumrungrad International Hospital and Paolo Memorial Hospital.
- To sell through press, advertisements and public relations by focusing mainly on Thai tourists, including selling monthly-based and yearly-based guest rooms, including food delivery service from the Hotel's restaurants.
- To sell during tourism promotion events within the country by participating in 16 events in order to promote sales in 2020.
- To sell through the Hotel's networks of Dusit International/ MBK GROUP.
- Direct sales to government agencies, public enterprises, embassies, and associations through organizing special price for guest rooms and the organization of seminars. The Hotel has provided training in SHA standards in order to combine the Hotel's hygiene safety measures and quality service standards for building confidence in staying in the Hotel and organizing seminars.

2 The Competitive Situation of Pathumwan Princess Hotel

In 2020, the epidemic outbreak of Corona Virus Disease (COVID-19) occurred worldwide, including Thailand. All countries were affected in the same direction, causing a hugely decreasing number of both foreign and Thai tourists who came to travel within the country. In order to maintain the financial liquidity and wait for the returning of tourists, Pathumwan Princess Hotel had to adapt itself in order to generate incomes and flexibility from the Hotel's existing services such as

- To reduce guest rooms' price in order to attract Thai tourists to stay in.
- The restaurants in the Hotel provided both take-away and food delivery services.
- To cut unnecessary costs such as some areas were temporary closed in order to reduce operational costs.
- To slow down some costs such as the termination of outsourcing.

- To conduct marketing more through digital channels and social media such as Facebook, Instagram, Line, Bloggers, or other online platforms.
- To generate incomes from other services in the Hotel as non-room revenues such as a cleaning service for the Company's affiliates, and a catering service for both in-site and off-site places.
- To allow outside guests to be able to become members of the fitness center inside the Hotel with special price, as well as providing online trainers in order to match a healthy life style of the new generation.

Apart from the impact of the epidemic outbreak of Corona Virus Disease (COVID-19), the Hotel and Tourism Business had to encounter the competition of an increasing number of new hotel's guest rooms and rooms adapted as hotel- styled guest rooms in the future.

In 2020, the Hotel focused on the organization of parties for on-site and off-site places. The Hotel organized the 8th floor for wedding parties and parties for special occasions. Also, the theme of coffee breaks was changed. Parties' menus were prepared to be more interesting, as well as favorite menus for most Thai people, therefore, the organization of parties and seminars received warm welcome.

3 Pathumwan Princess Hotel's Industry Outlook and Competitive Situation in the Future

The impact on the industry and the condition of the competition in the future of Pathumwan Princess Hotel in 2021 are the adaptation. From the anticipation of Tourism Authority of Thailand (TAT), a number of tourists travelling to Thailand decreases, causing the overall picture of Thailand's tourism afterwards will completely change. Mostly, tourists will emphasize the importance of the safety and tourism will be social responsibility, and more concerned about the environment and the sustainability. As well, new experiences of travelling are broadened because most tourists agree to pay for more quality of life in terms of staying in guest rooms. Pathumwan Princess Hotel possesses the appropriate hygiene standards according to SHA standard of providing services in order to boost the guests' confidence.

As a result of the guest rooms' reduced price cut by competitive new hotels, the competition is automatically higher and during the epidemic outbreak of Corona Virus Disease (COVID-19), guest rooms' price of the hotels at every level drastically fluctuates. Pathumwan Princess Hotel is prepared to cope with the competition of changes in guest rooms' price as well, by taking costs and quality into consideration in order to maintain the Hotel's positioning and its image.

As aforementioned factors, the Hotel has to adapt its sales strategy by focusing on Thai guests or foreigners who reside in the country.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

Pathumwan Princess Hotel has the same environmental protection measures as those of MBK Center since the hotel is located in the same building of MBK Center. The Hotel has also changed to use recycled or easily degradable products.

Dusit Thani Krabi Beach Resort Hotel

Products and Services

Dusit Thani Beach Resort Hotel is located on Klong Muang Beach, in Krabi Province. The Hotel has operated since 2003 and offers an accommodation for 240 guest rooms, restaurants, the fitness club, the recreation rooms, the seminar rooms, the function rooms, and the spa.

The Major Changes and Developments in the Past Year

In 2020, Dusit Thani Krabi Beach Resort Hotel renovated 5 guest rooms as Real Triple rooms by expanding each room's space to its balcony. This increased more space and then additional bed could be placed. Also, from the balcony, wider landscape could be viewed. A swimming pool was renovated by using natural stones, increasing lighting inside the swimming pool, and developing the landscape around the swimming pool to be brighter and more beautiful. A passport scanning system was added for convenience of check-in and the accuracy of guests' information.

Moreover, the Hotel focused on sales advertisements for markets with growth potential as well as focusing on tourist season sale for the main market continuously such as tourists from U.K., Germany, Poland, and Spain, through travel agencies of the wholesale market. However, according to the situation of the outbreak of Corona Virus Disease (COVID-19), the Hotel changed its strategy to focus on Thai guests by participating in sales promotion events in both Thailand and foreign countries which were held by agencies, institutions, and agents in Thailand, selling through E-Commerce, and expanding its customer base through social media in order to increase its business alliances. Also, the Hotel participated in the public sector's campaign called "We Travel Together" and sales promotion package called "Resort Credit". All were warm welcome, particularly during weekends or long holidays.

For the marketing strategy, the Hotel focused more on selling and expanding markets, parties, meetings, seminars, and the MICE group. Also, the Hotel began providing wellness packages such as the Spa Package, the Weight Loss Package, the Muay Thai Package and the Yoga Package. All packages were accompanied by healthy food in order to support an increase in domestic and foreign guests who care about their health.

Food and Beverages:

For the renovation of the swimming pool's area called Malati Pool, the pool's name was changed to be Breeze Pool. The swimming pool's change of style and decoration as well as increasing lighting made the pool itself look wider. The bar inside the swimming pool was broadened by adding seats and improving the landscape to be more beautiful and more modern which satisfied the need of guests who liked to swim, took photos, and relaxingly dined out while admiring the gorgeous sea view.

Other Aspects

- All provided services were changed to align with the public sector's regulations called "New Normal". Then, the Hotel's standard was certified as Amazing Thailand Safety and Health Administration (SHA).
- The Wellness program was changed to "Be Well by Dusit Thani Krabi Beach Resort" and more programs were added, leading to 6 programs in total. The programs' periods were classified as 3-day, 5-day, 7-day, 10-day, 14-day and 21-day programs.



- Premium Yoga Retreat
- Premium Fitness Retreat
- Premium Muay Thai Retreat
- Premium Spa & Beauty Retreat
- Premium Weight Management Retreat
- Premium De – Stress & Relax Retreat

Awards received in 2020

- Received the award “Amazing Thailand Safety & Health Administration: SHA”
- Received the first award “Luxury Italian Cuisine” in Thailand from World Luxury Restaurant Awards given by Limoncello Italian Restaurant
- Received the award Limoncello Italian Restaurant - Country Winner in Italian Cuisine
- Received the first award “Luxury Spa Resort” in Asia from World Luxury Hotel Awards
- Received the certification of Thai Hotel Standard from Tourism Authority of Thailand (TAT), Thai Hotels Association (THA), and Thailand Hotel Standard Foundation in order to provide guests with services regularly and grow sustainably in the long term. Dusit Thani Krabi Beach Resort Hotel was one of 27 hotels which received the 5-star certification
- Received the award 2020 Travellers’ Choice by TripAdvisor, which was recognized and admired by hotels’ guests
- Received the award Energy Saving Companies 2020 Award (ESCO Project Awards 2020)

The Target Customers of Dusit Thani Krabi Beach Resort Hotel

Because the epidemic outbreak of Corona Virus Disease (COVID-19) worldwide caused the impact on travelling, foreign tourists could not come to Thailand. It had an impact on the Hotel’s change of target group in 2020 as follows:

Main Customer Group was Thai guests coming from the domestic travelling promotion.

Minor Customer Group was tourists from the European Continent, the United Kingdom, Scandinavia, Germany— all who resided in Thailand, seminar groups from public agencies, and companies in Thailand which organized tours to bring officials and employees as an incentive group. This incentive group was mainly Thai customer group, as well as a wedding group who regularly came to use the services.

The Marketing and Competitive Situation

1 The selling and distribution channels of Dusit Thani Krabi Beach Resort Hotel

The impact resulted from the epidemic outbreak of Corona Virus Disease (COVID-19) changed Dusit Thani Krabi Beach Resort’s distribution channels according to the situation as follows:

- To sell directly to companies and commercial establishments by providing special price for guest rooms and the organization of seminars.



- To sell through local travel agents and overseas tour operators in different regions of the world by providing special price for travel agents in different regions of Thailand in order to meet the need of Thai tourists, together with special price for tour operators in foreign countries in order to be prepared for selling guest rooms for foreign tourists who had needs and could go abroad by offering special price if they booked guest rooms in long advance, as well as providing special right to cancel the bookings free of charge.
- To sell through electronic media channels or websites, emphasizing the Hotel's own website through offering special price for Thai tourists in particular.
- To offer co-selling with the public sector's campaign "We Travel Together" in order to encourage the domestic travelling.
- To sell through leading airlines' systems.
- To sell through press, advertisements and public relations by focusing mainly on Thai customer group and food delivery service provided by the Hotel's restaurants.
- To sell during tourism promotion events in the country through the participation in 16 events in order to promote the sales in 2020.
- To sell through the Hotel's network channels such as those of the Dusit International.
- To have joint-promotions with the travel agencies.
- To have package with the other hotels in the Group.
- To propose sale through affiliated companies, including advertisements and public relations of the Hotel
- To provide packages proposed to sell through websites of the Hotel and online companies.

2 The Competitive Situation of Dusit Thani Krabi Beach Resort Hotel

Because nowadays a number of hotels and guest rooms in Krabi was highly increasing, as well as entrepreneurs who changed their houses, condominiums, or apartments to be rented as hotels; the Hotel had to adapt its sales strategy by focusing on new tourist markets as well as its sales plan set for the seminar group and the group of employees or personnel who could achieve their companies' goals and in return, travelling was their incentive. The Hotel enjoyed the advantages of its location— the beach in front of the Hotel where could be organized for functions prepared for 250-300 guests—, large-sized guest rooms and their private porches, and the improvement of standardized services and facilities in order to compete with other surrounding hotels. Also, the epidemic outbreak of Corona Virus Disease (COVID-19) worldwide had an impact on a hugely decreased number of foreign tourists and Thai tourists who travelled within the country. It also had an impact on the Hotel Business which generated incomes from Thai tourists.

The Hotel still focused on the marketing seriously and continuously, providing further information in order to make guests recognize the Hotel's service standards— which were the same as international standards— and more improved facilities by utilizing SHA standards as hygiene measures, together with the Hotel's quality service measures, in order to boost the confidence in staying in and organizing seminars. Communication and paying attention to safety measures and cleanliness were the first priority, together with the appropriate hygiene measures to provide services in order to build guests' confidence were taken into consideration also.

In 2020, tourists' behavior towards guestroom reservation changed. Their reservation in advance was less. Last minute reservation was more. The Hotel had to adapt its strategic plan to better follow up the short term bookings and provide sales packages through electronic media or websites more.

In order to maintain the financial liquidity and wait for tourists to come back, Dusit Thani Krabi Beach Resort Hotel adapted itself by employing guidelines in order to generate incomes and flexibility of the Hotel's existing services such as

- To reduce guest rooms' price in order to attract Thai tourists
- Restaurants in the Hotel provided take-away and food delivery services
- To cut unnecessary expenses such as some service areas were partly closed in order to reduce operational costs
- To slow down some kinds of expenses such as the termination of outsourcing

- To more conduct marketing through digital channels and social media such as Facebook, Instagram, Line, Bloggers, Influencers, or other online platforms
- To generate incomes from other services in the Hotel as the non-room revenue such as on-site and off-site catering services according to measures to prevent the outbreak of Corona Virus Disease (COVID-19)
- To allow outsiders to be members of the fitness center inside the Hotel with special price
- To generate incomes from providing hotels in Krabi with a laundry service

Moreover, the Hotel still focused on increasing revenues gained from organizing more functions by improving decoration styles and preparing the functions to meet the needs of the guests. The Hotel received good feedback.

The food and beverage service, including Linger Longer Spa, has helped promote the Hotel so that the Hotel has gradually gained much popularity. As a result, in 2020, the Hotel's social media followers went up beyond a set goal. Because of abovementioned reasons, the Hotel could closely attract tourists' groups which were major markets and maintained its satisfactory market share according to a benchmark when compared with its competitors.

3 Dusit Thani Krabi Beach Resort Hotel's Industry Outlook and Competitive Situation in the Future

In 2021, it is the adaptation to the situation of the outbreak of Corona Virus Disease (COVID-19), causing a decreased number of tourists. The impacts on a tendency towards the industry and the competition's situation in the future of Dusit Thani Krabi Beach Resort Hotel are as follows:

- Small hotels around Krabi or Ao Nang Bay are open and an increase in famous hotels in Krabi such as Banyan Tree Hotel lead to higher competition automatically.
- The overall global economy after the epidemic outbreak of Corona Virus Disease (COVID-19) results in the change of tourists' travelling behavior which make less travels overseas.
- After the epidemic outbreak of Corona Virus Disease (COVID-19) is relieved and allowing foreign tourists to travel to Thailand, it is anticipated that Dusit Thani Krabi Beach Resort Hotel has to be one of top hotels where guests choose to stay in.
- The withdrawal of U.K. from the European Union or Brexit may affect the travelling abroad because borders have stricter measures, leading to the social impact on local people who commute to work. Also, the change of employees of companies belonging to EU's members has an impact on an increase in unemployed people and a shortage of incomes provided for travelling.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

- To clean the Hotel's areas— guest rooms, front and back areas— and take care of the areas around the Hotel in order to reduce dust in the air
- To take care of and keep garbage cans properly covered in order to prevent insects
- To regularly check up and measure the emission of exhaust fumes
- To reduce the volume of using air fresheners

2) The reduction in noise-related impacts

The appointment of a committee to manage the environment and energy conservation. To grow trees in front of the Hotel in order to reduce noise pollution which may have an effect on the guests.

3) The reduction in waste-related impacts

- Separation of wet and dry garbage as well as garbage that can be recycled.
- A special room for keeping wet garbage at 15 degree Celsius.
- A vehicle to pick up and dispose of the wet garbage daily.
- Production of bio-fertilizers to reduce the quantity of garbage.

4) The reduction in water-related impacts

- To Put in place a wastewater treatment pond and a wastewater treatment system.
- To check the quality of water monthly.
- To use the treated water in maintaining gardens.
- To improve all sump pump's pits in the Hotel in order to increase the efficiency of pumping wastewater out of guestrooms and restaurants and carrying it back for the treatment.
- To improve the pump system and clean the treatment ponds in order to increase the efficiency and the development of the quality of water, and then it is well used for watering trees.

5) The reduction in other environmental impacts

- The Hotel already completed a report of performance according to preventive measures and solutions to environmental impacts, and measures to follow-up the quality of the environment.
- The Hotel has participated in a project called "SMOKE FREE HOTEL", together with receiving a trophy for reaching a standard from the Green Leaf Foundation. The Hotel has still participated in the "SMOKE FREE HOTEL" project continuously.
- The Hotel has encouraged growing organic vegetables since November 2016 in order to be used for cooking. It began at the employees' kitchen first and will have a plan to increase the production in following years. The Hotel promoted schools and communities to grow organic vegetables and sell their organic produce to the Hotel in order to support and increase incomes for the communities.

Tinidee Hotel@Ranong and Tinidee Inn Hotel Products and Services

Tinidee Hotel@Ranong (formerly Royal Princess Ranong Hotel) is located in Ranong Province and operated by Supsinthanee Company Limited ("SSTN"). The Hotel offers an accommodation for 138 guest rooms with mineral water and also includes the function rooms, the seminar rooms, the restaurant, the fitness room, the body massage room, the swimming pool and the mineral water pool.

Tinidee Inn Hotel was renovated from commercial buildings to make 47 budget guest rooms, including a restaurant. The Hotel has opened since April 2011 and has received a good response.



The Major Changes and Development in the Past Year

Tinidee Hotel@Ranong

In 2020, the Hotel had repairs and maintenance of buildings so that they were in an ongoing good condition such as re-painting all guest rooms, renovating Gym's space in the Fitness Center, changing and adding fitness equipment in the Gym and having a plan to broaden the Gym's area in order to support an increasing number of guests, replacing guest rooms' keys on some floors with a key card system. Moreover, public relations were organized to focus on markets of meetings and seminars by providing the Meeting Package— which the product and services are developed to be outstanding from its competitors as a unique selling point— through a combination of travelling choices. Also, the full-board and half-board Seminar Packages were added in order to support guests from public agencies in every province.

From the epidemic outbreak of Corona Virus Disease (COVID-19) affecting the Hotel in terms of Thai and foreign tourist markets, the Hotel turned to focus on the employee market from both public sector and private companies (oil drilling/fishery-related business). Also, the Hotel collaborated with the public sector for the campaign “We Travel Together” in order to publicize and promote Thai tourists to travel within the country which received good feedback and adjusted the price strategy in order to be align with the situation.

For the services providing, the Hotel turned to adjust all guidelines in order to be comply with the public sector's regulations, in terms of screening, physical distancing, people's controlling, and prevention. The Hotel was been certified for the hygiene safety measures or Amazing Thailand Safety and Health Administration (SHA).

Tinidee Inn Hotel

The Hotel renovated hotel rooms and improved services and facilities in order to respond to the needs of guests and services users according to the Hotel's standards as well as improving its fire alarm system in order to maintain its safety standards.

From the situation of the epidemic outbreak of Corona Virus Disease (COVID-19) affecting a hugely decreasing number of tourists, the Hotel had to close down since August 2020 and moved long stay guests to stay in Tinidee Hotel@Ranong instead.

The Target Customers of Tinidee Hotel@Ranong and Tinidee Inn Hotel

The main customers of Tinidee Hotel@Ranong and Tinidee Inn Hotel includes

- The Government sector and public enterprises.
- Companies and stores concerning businesses in Ranong.
- Group incentives and MICE.
- Thai tourists who start to become fond of domestic travel.
- Healthy tourists
- A group of sales representatives in Ranong, Phuket and Chumporn.
- Foreign tourists who stop over here on the way to Pang-Nga, Phuket, and Krabi in the first Quarter
- Groups of tourists, businesspeople, and merchants from other provinces.
- Groups of meetings and seminars at district and regional levels in the South.

- Groups of oil drilling business.
- Groups of fishing business and subsequent fishing-related business

The Marketing and Competitive Situation

1 The selling and distribution channels of Tinidee Hotel@Ranong and Tinidee Inn Hotel

- To sell directly to government agencies including ministries, bureaus and departments which have potential for using the hotel for their training activities and seminars.
- To sell through an intermediary, such as Thai Hotels Association and Association of Thai Travel Agents.
- To sell directly to companies and commercial establishments.
- To sell by distributing leaflets on special occasions which take place at different periods of the year.
- To sell in tourist promotion events.
- To sell through both domestic and overseas travel agencies.
- To sell through travel agencies for both Business-to-Business (B2B) and Business-to-Consumer (B2C).
- To sell through electronic media or websites by focusing on the Hotel's website.
- To sell through alliances.
- To conduct marketing through social media channels.

2 The Competitive Situation of Tinidee Hotel@Ranong

Tinidee Hotel@Ranong

Tinidee Hotel@Ranong is well known to both Thai people and foreigners for its high quality services and safety standards. It is a big hotel in Ranong Province, which is capable of accommodating a large number of seminar participants. Because of the situation of the epidemic outbreak of Corona Virus Disease (COVID-19) and both domestic and international economic situations have not recovered, it has an impact on a decreasing number of tourist and several entrepreneurs of fishing business have turned to run the tourist business instead, particularly hotels and accommodation, resulting in an increase in competition and market share.

Nowadays, marine tourist attractions are more widely known and then, they draw attractions of almost twice the number of investors for the hotel business and tourism. Therefore, the competitive situation is more intense. The Hotel has to improve— the Hotel itself and its facilities, services, and technologies— all the time.

However, the concerned factors are the price of plane tickets is quite high, compared with other tourist attractions. These factors make the Hotel have to adjust its strategy in order to deal with these situations as follows:

- Together with Ranong Tourism Business Association, to consult with the Provincial Governor of Ranong for pushing the expansion of a runway of Ranong Airport in order to open an opportunity for having 1 more airline and increase customers' more choices and more competitions. Today, there are only 2 daily flights operated by Nok Air and Air Asia.
- Nowadays, there is the construction of expanding road no.4 from Chumphon to Ranong to be a 4-lane road. The construction is finished, making travelling by cars to be more convenient. Therefore, the Hotel provides such information for public relations in order that guests will be informed of it as another choice of travelling.

Tinidee Inn Hotel

From the situation of the epidemic outbreak of Corona Virus Disease (COVID-19), staying-in guests were moved to Tinidee Hotel@Ranong in order to be align with the situation, by modifying the guest rooms on the third floor to be low-cost guest rooms with slightly increased price. Also, Rienthong Sukiyaki/Shinju Restaurants were combined with Café Nidee of Tinidee Hotel@Ranong in order to be align with a volume of customers who used services and it was a measure to control costs which its result was quite good.

3 Tinidee Hotel@Ranong and Tinidee Inn Hotel's Industry Outlook and Competitive Situation in the Future

The tendencies of industrial in Ranong is growing in the future

- To know that mineral water in Ranong province is the best in Thailand and is one of the best three mineral water in the world, which attracts Thai tourists' interest.
- To have more tourist attractions in Myanmar such as the Cock's Comb Island and Nyaung Oo Phee Island, together with dinner cruises around islands which are gaining huge popularity.
- To expand roads to facilitate more convenience to travel and transportation.
- To expand the harbour to increase opportunities in shipping goods from the Andaman coast.
- A government's policy promotes the Health Destination which will benefit Ranong Province.
- There are oil drilling and oil terminals in the area.

The Competitive Situation of Tinidee @Ranong Hotel and Tinidee Inn Hotel

- Currently, there are a lot of new hotels and accommodations— with a variety of styles and levels — affecting the market shares of both Tinidee@Ranong and Tinidee Inn Hotel.
- For competition in seminar and catering services, competitors have competitive advantage in terms of the size of venue. The Hotel has adjusted its strategy as follows:
 - To focus on quality and service standards and convenient parking spaces.
 - Meeting types are stylish and various.
 - To focus on target customer groups whose size of the group is suitable for the size of the banquet rooms.
 - To expand its market to other provinces, particularly the whole Southern areas, by targeting the group of seminars which is the strength of Tinidee Ranong Hotel.
- To enhance the Hotel's potential to be better than the competitors. The Hotel has proceeded with the improvements and developments as follows:
 - To improve and add new equipment and tools in the Gym for modernity and completeness.
 - To improve aforementioned systems in order to build the security and gain customers' confidence.
 - To improve all hotel rooms in accordance with standards.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

- None -

2 The reduction in air-related impacts

1) The reduction in air-related impacts

- The elimination of smoke from burning fuels produced by steam engines
- To maintain the steam engines annually.
- Engineers regularly test and certify the efficiency of the burning process.

2) The reduction in noise-related impacts

-None-

3) The reduction in waste-related impacts

- Separation of wet and dry garbage as well as garbage that can be recycled.
- Municipal vehicles to pick up and dispose of the garbage daily.

4) The reduction in water-related impacts

- To put in place a wastewater treatment pond.
- To check the quality of water every quarter.

5) The reduction in other environmental impacts

- To establish a special committee responsible for managing safety, bio-sanitation, and workplace environment.
- To use energy saving lamps in both inside and outside the buildings.
- To participate in “To Be Number One” by being appointed to be in the committee and co-work with the province in order to campaign against drugs and encourage people to stay away from the drugs.

Tinidee Golf Resort @ Phuket Hotel

Products and Services

Tinidee Golf Resort @ Phuket Hotel is a 3-star hotel and located within the Loch Palm Golf Course and the Red Mountain Golf Course in Phuket Province. The Hotel is operated by MBK-HT which is only 40 minutes from Phuket International Airport and 15 minutes from Patong Beach. It is surrounded by beautiful scenery and fresh atmosphere and with 24-hour security. The Hotel’s Centric Life is club house that offers a fitness center, a swimming pool, and a bar for selling a variety of snacks and beverages. The Hotel guests can use services provided in the fitness and the swimming free of charge. The outside customers can use these services by paying for a fee on a daily/ monthly/ and yearly basis.

The Major Changes and Development in the Past Year

In 2020, guest rooms were renovated and looked after for an ongoing good condition by adding more guest rooms in the Loch Palm Residence project in order to provide services for guests and golfers who wanted Suite-leveled guest rooms. Inside the guest rooms, it consisted of 2 bedrooms, a living room, a dining room, a kitchen, and a private swimming pool which received warm welcome.

Moreover, online marketing was conducted by focusing on sales channels on websites and more alliances with online companies were formed by focusing on advertisements through both domestic and foreign social media channels and blogs. Also, both domestic and foreign marketing has been continuously conducted with allied golfers, as well as setting up a booth in tourism promotion fairs continuously such as Thai Teaw Thai Fair in order to stimulate the needs of domestic tourists.

From the situation of the epidemic outbreak of Corona Virus Disease (COVID-19), the Hotel had to have measures to control and prevent such disease in order to comply with the public sector’s regulations. The Hotel was also certified for hygiene safety measures for tourists or SHA.

Moreover, the Hotel participated in the campaign “We Travel Together” in order to promote the Thai customer group to use services more.

The Target Customers of Tinidee Golf Resort @ Phuket Hotel

The main customers are from companies, shops and travel agencies, and golfers within the country.

The minor Customers are from government agencies, state enterprises, independent organizations, students and parents from various schools, and customers who make direct bookings and through websites.



The Marketing and Competitive Situation

1 Selling and distribution channels of Tinidee Golf Resort @ Phuket Hotel

The impact resulted from the epidemic outbreak of Corona Virus Disease (COVID-19) changed the sales channel of Tinidee Golf Resort@Phuket Hotel in order to follow the situation as follows:

- To sell directly to companies, commercial establishments, schools and educational institutions.
- To sell through local travel agencies and overseas tour operators in different regions of the world by providing the special price for travel agencies in regions of Thailand in order to meet the need of Thai tourists, as well as the special price for foreign tour operators which booked guest rooms in advance in order to be prepared for foreign tourists who wanted to go abroad.
- To sell through electronic media or websites, particularly the Hotel's website as well as the social media by providing the special price for Thai tourists exclusively.
- To offer co-selling with the public sector's campaign "We Travel Together" in order to promote the domestic travelling.
- The promotion campaign called "Resort Credit".
- To sell through leading airlines' systems.
- To sell through press, advertisements and public relations by mainly focusing on the Thai tourist market.
- To sell during domestic tourist promotion events by joining 16 events in order to promote the sales in 2020.
- To be certified for the hygiene safety measure or SHA in order to build guests' confidence.
- To have measures to control the epidemic outbreak of Corona Virus Disease (COVID-19) according to the public sector's regulations.
- To sell through the Hotel's network channels, such as those of the MBK-HT Group.
- To sell through partners.
- To sell as a package with a golf club.
- To sell through golf agencies.
- To sell in Group Series with tour companies.
- To sell through activity organizers promoting kinds of exercise such as walking clubs, running clubs, and bicycle clubs in Phuket.

2 The Competitive Situation of Tinidee Golf Resort @ Phuket Hotel

For a trend and marketing competition in hotels in Phuket, customers tended to mostly make online reservations because they could find and choose hotels with a reasonable price. The Hotel then aimed to offer a lot of promotions on its website. Mostly, customers still preferred seaside locations. Entrepreneurs provided their condominiums, apartments, or their own houses for daily rent like a hotel but their prices were cheaper than the hotels' prices because they were not legally registered and also provided customers with facilities. Therefore, the Hotel had to target customers who mainly liked to play golf or tour groups having a package already included in order to enhance its competitive potential.

The situation of the epidemic outbreak of Corona Virus Disease (COVID-19) worldwide had an impact on a hugely decreasing number of both foreign and Thai tourists because of limitations of travelling. However, the Hotel still conducted the marketing continuously, together with providing additional information in order to make guests be informed of measures to provide services by utilizing hygiene safety measures combined with the Hotel's measures to provide quality services in order to build guests' confidence in staying in and have communication with the guests to be informed that the cleanliness was place as the Hotel's first priority.

3 The Industry's Outlook and Competitive Situation of Tinidee Golf Resort @ Phuket Hotel in the Future

The impacts on the industry's outlook and the competitive situation in the future of Tinidee Golf Resort@ Phuket Hotel as follows:

- A policy to cut the price of the Hotel's competitors— both from newly opened and existing hotels— leads to a higher competition automatically, particularly during the epidemic outbreak of Corona Virus Disease (COVID-19). The guest rooms' prices of the hotels at every level drastically fluctuate. The Hotel's competitors unanimously change the pricing. The Hotel then prepares itself for the change of competitive pricing and the preparation of other promotions such as giving special discounts for Thai tourists, providing co-promotions with golf courses, and gift vouchers for the accommodation.
- A decreasing number of flights and the time table of flights bound to Phuket because of the epidemic outbreak of Corona Virus Disease (COVID-19) which causes inconvenience of travelling.
- Continuous growth of budget hotels has an effect on a decreasing number of tourists staying in the Hotel because the public sector does not have a policy to control a number of newly constructed hotels and small entrepreneurs have modified their rooms in condominiums to be daily rented accommodations more.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

- To offer miscellaneous and necessary items for sale in a Mini Mart for inexpensive prices.

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

- To clean the Hotel's guest rooms, front and back areas, and take care of the areas around the Hotel in order to reduce dust
- To take care of and keep garbage cans properly covered in order to prevent insects

2) The reduction in noise-related impacts

-None-

3) The reduction in waste-related impacts

- Separation of wet and dry garbage as well as garbage that can be recycled.
- A vehicle to pick up and dispose of the wet garbage daily.
- To promote communication systems using emails in order to reduce paper use.
- To proceed with using recycled paper policy strictly.

4) The reduction in water-related impacts

- To put in place a wastewater treatment pond.
- To check the quality of water every quarter.
- To use the treated water in using in gardens.
- To add natural microorganisms in a sewage pond every month.

5) The reduction in other environmental impacts

Energy saving

- To install a key for an electricity shut-off system inside every guestroom in order to save the energy.
- To use energy saving lamps inside and outside the building and control the automatic system of turning the lights on and off according to the scheduled time.
- To change long used electrical devices such as refrigerators and televisions.

- To check electrical wires and devices which are expected to deteriorate because of long use and replace them with new ones for more safety.
- To replace bulbs with LED bulbs at important spots as well as adjusting the turn-on and turn-off time as appropriate.

Layana Resort and Spa

Products and Services

Layana Resort and Spa is operated by MBK Hotels and Tourism Company Limited (MBK-HT). The Hotel is located on Phra Ae Beach, Koh Lanta Island, Krabi Province and it is on an area of 17 rais. Layana Resort and Spa is a 5-star boutique seaside resort surrounding by tropical greenery nature and panoramic views of the mountains and the sea can be seen. It consists of 57 guest rooms in 6 room types— Garden Pavillon, Grand Garden Pavillon, Terrace Suite, Ocean Deluxe Villa, Beach Villa and La Maison.

The Major Changes and Developments in the Past Year

In 2020, for the situation of the epidemic outbreak of Corona Virus Disease (COVID-19), in April, the public sector set measures and asked for cooperation to temporarily close the Hotel in order to prevent the pandemic. In July, the Hotel was allowed to re-open. However, the public sector did not allow the international flights. Then, the Hotel has focused on the Thai customer market and foreigners who resided in Thailand, together with having contact with travel agents for domestic travelers in groups and joining exhibitions in order to offer tour packages until the end of 2020 and continued to 2021. The policy not to allow children aged less than 18 years old to stay in the Hotel was changed. Families with their children from all ages were welcome. Moreover, the Hotel participated in the campaign “We Travel Together” and provided the additional sales promotion package “Resort Credit” and the special price for employees of MBK GROUP.

The situation of the epidemic outbreak of Corona Virus Disease (COVID-19) caused the drastically decreased incomes. The Hotel controlled expenses strictly but took the safety of guests and employees into consideration as the first priority. The Hotel’s second priority was to maintain its services providing professionally.

For all renovations and investment in 2020 during the temporary closing, the Hotel renovated some areas stuck to the existing plan by renovating the swimming pool “Infinity”— changing from the swimming pool’s tiles to natural stones and improving the landscape around the pool. Other investment plans were temporarily slowed down. The investment plans to upgrade the Ocean Deluxe Villas to be more perfect, to renovate all 3 Beach Villas at full scale, and to duplicate Garden Pavilion-styled guest rooms are prepared for the future.

The strategic food and beverage goal in 2020 was to maintain the excellent reputation for providing quality food and services, as well as making acknowledgment and providing award-winning food from Chef Patrick in order to make the guests’ impression.

For the human resources in terms of employees’ development, the practice was trained and reviewed through job rotation in order to increase various skills and knowledge for the employees.

Awards received in 2020

- SHA-Amazing Thailand Safety & Health Administration
- World Luxury Awards 2020
Layana Resort and Spa - Continent Win in Luxury Adult Beach Resort
SeaSky - Country Win in Thai Cuisine
- Haute Grandeur Awards 2020
Layana Resort & Spa - Best Luxury Boutique Resort Asia, Best Honeymoon
Hotel Thailand, Best Luxury Boutique Hotel Thailand
Linger Longer Spa - Best Hideaway Spa in Thailand
- TripAdvisor Awards 2020:
No.1 Top Hotel in Thailand and No.1 Top Hotel for Romance in Thailand
No.2 Top Hotel for Romance in Asia
No.3 Top Hotel for Romance in the world
No.4 Best service in Thailand
No.8 Luxury Hotel in Thailand

The Target Customers of Layana Resort and Spa

The main Customers are from the European countries such as U.K., Germany and Switzerland, who are likely to come during the tourist season. The main target group includes honeymooners and retirees.

The minor Customers are from Asian countries. The hotel rooms are sold through websites and wholesalers and this customer group will come to stay outside the tourist season of the Hotel.

In 2020, there were the situation of the epidemic outbreak of Corona Virus Disease (COVID-19) and the public sector's measures not to allow international travels, the Hotel then focused on the Thai customer group and foreigners who resided in Thailand all year round. The policy of not allowing children aged under 18 years old was changed to the new policy to welcome families with children of all ages.

The Marketing and Competitive Situation

1 The selling and distribution channels of Layana Resort and Spa

- To sell via travel agencies in regions around the world, both in the country and foreign countries.
- To sell through websites, particularly the Hotel's website, or social media channels by Bloggers and Influencers.
- To sell through representative agents in other countries such as U.K., Germany, Switzerland and Australia by offering the special price for bookings in advance.
- To sell packages with affiliated hotels.
- To offer special packages for customers who come back repeatedly.
- To provide additional packages such as the Spa Package and the Tour Package.
- To participate in the campaign "We Travel Together."
- The promotion called "Resort Credit."
- The pick-up service for the airport free of charge.

2 The Competitive Situation of Layana Resort and Spa

In 2020, the epidemic outbreak of Corona Virus Disease (COVID-19) worldwide caused the world's sluggish economy both domestically and internationally. In most foreign countries, there was a measure to cease travels. Moreover, Thailand's public sector had a policy to stay in quarantine in case that foreigners traveled inbound, impacting on a decreased number of guests and the performance's results of hotels nationwide. Therefore, the strategy was adapted to focus on the Thai customer market and employees of MBK GROUP, as well as offering sales through electronic media such as websites and the social media.

3 Layana Resort and Spa's Industry Outlook and Competitive Situation in the Future

From the situation of the epidemic outbreak of Corona Virus Disease (COVID-19) which had a direct impact on hotels nationwide. For Layana Resort and Spa Hotel, the Hotel is 5-star hotel with its outstanding feature for providing services beyond expectation in order to make guests' impression. Foreign guests were always mainly focused on.

Therefore, in 2020, the Hotel adapted its strategy to be align with mentioned situation, by focusing on the Thai customer market and changing the policy of age's limitation for staying in which led to more tourists who came with their families. The pick-up service between the airport and the Hotel was also included in the package which gave impression to Thai guest very much.

For the tendency in 2021, it is the year which the Hotel has to encounter the challenge of guest rooms' not-too-high price in order to satisfy the need of the domestic market as well as managing costs and expenses in order to be align with this unstable situation.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

- Goods and products in the Gallery which include trading and consignment.

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

-None-

2) The reduction in noise-related impacts

-None-

3) The reduction in waste-related impacts

- There is a campaign for the office to use reused papers and have waste segregation for sale.

4) The reduction in water-related impacts

- The Hotel has a wastewater treatment before it is released back to the environment.
- The wastewater from staff residence area is under the process of the wastewater treatment and it is used to water trees around the Hotel.
- The Hotel uses a refilling and recyclable drinking water tank.

5) The reduction in other environmental impacts

Energy Management

- The Hotel has regulations for purchasing products and materials with environmental and safety certifications such as No.5 Energy Saving Label.
- The Hotel has regulations for purchasing seasonal fruits and vegetables to reduce toxic contamination.
- The Hotel uses renewable energy for both internal and external transportation to reduce the impact on the environment and reduce a global warming such as a bicycle.
- The Hotel has an electricity consumption report and publicizes to all personnel for encouraging them to participate in the Hotel's energy saving.
- The Hotel uses energy-saving bulbs to reduce a global warming and save energy.
- The Hotel has automatic light control switches to reduce an energy loss.
- The Hotel does not allow to start a car engine while waiting in the Hotel in order to reduce the loss of fuel.

Environmental Management outside the Hotel

- To encourage the personnel to take care of the beach in front of the Hotel— where is a public area— and always keep it clean.
- The Hotel is a part of the environmental campaign with Tourism Authority of Thailand.
- To help the neighboring communities such as support the Red Cross of Lanta District and support holding a fair on Children's Day held by Subdistrict Administration Organization (SAO) of Sala Dan.

Tinidee Hotel @Bangkok Golf Club

Products or Services

Tinidee Hotel @ Bangkok Golf Club is a 3.5-star hotel. It has been opened since November 2018 and managed by MBK Hotel and Tourism Company Limited ("MBK-HT"). It is situated inside Bangkok Golf Club, adjacent to Riverdale Golf and Country Club, in Pathum Thani. It takes only 25 minutes from Don Muang Airport. The Hotel provides various styles of 128 guest rooms, including meeting rooms, function rooms, massage parlors, restaurants and a 5-star fitness club.

Tinidee Hotel @ Bangkok Golf Club is surrounded by its beautiful landscapes and fresh atmospheres of both golf clubs as well as the 24-hour security system. The Hotel has provided D Health Massage for the massage service, The 5-star Olympic Fitness— with full exercise equipment, a saline swimming pool, dancing classes, steam sauna rooms, badminton courts, and tennis courts— as well as the beverage bar named @Lobby and a variety of food at Café Nidee. The Hotel focuses on providing the services of meetings and seminars which can hold up to 500 guests, as well as indoor and outdoor functions and weddings within budget that the guests want.

The Major Changes and Developments in the Past Year

Tinidee Hotel @ Bangkok Golf Club focused on expanding a customer base of seminar groups and private companies by maintaining a customer base of existing customers in order that they came back for services. It received warm feedback. A new customer base of domestic and foreign customers was also focused on such as a group of golfers and a group of tourists.

Moreover, the Hotel built public relations with both public and private agencies about attending activities, including marketing during the situation of the epidemic outbreak of Corona Virus Disease (COVID-19), for the sake of public relations of the Hotel as follows:

- To attend events organized by Tourism Authority of Thailand (TAT)
- To invite bloggers to review the Hotel and arrange tour programs in Pathum Thani.
- To attend the bicycle rally organized by Pathum Thani Provincial Office of Tourism and Sport.
- To organize a trip to cruise along Chao Phraya River and stay at the Hotel.
- To join with the Golf Organization in order to take golfers to play in golf tournaments.
- To participate in the campaign "We Travel Together."
- To be certified for the hygiene safety measure or SHA in order to build guests' confidence for the staying.



- The sales promotion package “Hotel Credit”.
- The special price for employees of MBK GROUP.

The Target Customers of Tinidee Hotel @ Bangkok Golf Club

The major customers are the seminar customers from government agencies, private companies, tour operators focusing on guests and golfers from abroad, and private companies in Pathum Thani which welcome customers from provinces.

The minor customers are customers who want to have welcome parties, functions, small-sized and medium-sized weddings, guests who directly make self-reservation and through the websites, domestic golfers, and general tour operators whose their groups stay at the Hotel preparing for leaving for Don Muang Airport.

The Market and Competitive Situation

1 The Selling and Distribution Channels of Tinidee Hotel @Bangkok Golf Club are specified as follows:

- To offer direct sales to public agencies and private companies.
- To offer sales through domestic and foreign golf tour operators from regions around the world.
- To offer sales through the electronic media or websites, focusing on the Hotel’s website and the social media.
- To offer sales through systems of leading airlines.
- To offer sales through publications, the advertising media, and public relations.
- To offer sales in tourism promotion fairs.
- To offer sales through channels of the Hotel’s network of MBK-HT.
- To offer sales through alliances by paying fitness commission.
- To offer sales as co-packages with the golf club service and massages for health.
- To offer sales as group series to tour operators.

2 The Competitive Situation of Tinidee Hotel @ Bangkok Golf Club

Tinidee Hotel @ Bangkok Golf Club has renovated and decorated all buildings and guest rooms with a modern style and a variety of room types, together with meeting rooms, function rooms, restaurants, the fitness club, and a message parlor. As the most modern hotel in Pathum Thani, the Hotel focuses on the excellent services by setting a strategic plan as follows:

- To focus on the sales strategy to satisfy the need of customers or within their budget as they satisfy with. Packages can be adapted for the customers’ greatest impression.
- To focus on the quality and standards of services and the convenience of parking spaces.
- A variety of room types— which are decorated with modernity— can be chosen.
- To organize beautiful and modernized function styles, focusing on services and food flavor.
- To provide D Health Massage— the massage service with the place and atmosphere full of a convenient Thai traditional style— as the service of the 5-star traditional message for the 3-star pricing, focusing on the professional message under a relaxing, serene, and private atmosphere.

- To provide The Olympic Fitness Club as the largest and most complete fitness center in Pathum Thani where can support a lot of customers. Professional services for customers who come for doing exercise are provided in terms of personnel and equipment.
- To arrange the restaurant “Café Nidee” as the modern restaurant with a golf course’s relaxing atmosphere. It can support general customers or customers of the Hotel, focusing on food’s taste and the quality services in order to create an impression for the customers.
- To expand the markets, penetrating the groups of seminars, tours, and golfers.

3 The Outlook and Competitive Situation in the Future of Tinidee Hotel @ Bangkok Golf Club

Tourism Authority of Thailand (TAT) has promoted travelling in communities in primary and secondary provinces. Pathum Thani is one of the secondary provinces which TAT has promoted such as historical trips and health-related trips. Many learning centers are located in Pathum Thani, where the Hotel takes part of this promotion.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

- None-

2 The environmental impacts

1) The reduction in air-related impacts

- The Hotel was built with the concept of a lot of open air spaces (such as the lobby and restaurants) in order to reduce the use of air conditioners and the installation of fans instead. It also helps circulate the fresh air with green areas.
- Every guestroom is a non-smoking room.
- To employ the air conditioning system called “Variable Refrigerant Volume” (VRV) in order to increase the efficiency of turning on and turning off air conditioners according to separated zones or areas in use.

2) The reduction in noise-related impacts

- To control the noise’s volume of air conditioners, refrigerators, sanitary ware, and elevators, in order not to bother service users.
- To reduce and prevent sounds from engaged activities to outside areas and communities.

3) The reduction in waste-related impacts

- To sort out waste properly according to types of waste such as wet rubbish, dry rubbish, hazardous waste, and recyclable waste.
- To employ the electronic system in order to reduce the use of paper.
- To sort out and sell bottles, paper, and vegetable oil to suppliers who buy recyclable waste.

4) The reduction in water-related impacts

- To install grease traps on various spots where food is prepared and the grease traps are daily cleaned.
- To clean all grease in the grease traps every week.
- Waste water is treated in a waste water treatment pond before being released outside.

5) The reduction in other environmental impacts

- To provide employees’ training in energy conservation.
- To open an opportunity for guests staying at the Hotel to take part in energy conservation. They can inform their intentions of re-using bedspreads and towels by placing a sign on a bedhead or hang a sign in order to help save water, labor, and chemicals used in a cleaning process.

- To change fresh flowers less frequently as possible.
- To use recycled paper in the office.
- To buy and provide products and services which have the least impact on the environment.
- To buy local agricultural produces according to seasons in order to reduce the transported volume and its environmental impact.
- To use paper instead of foam for the decoration of venues where functions are held.
- To ask for cooperation with suppliers to use other types of containers in place of plastic bags or reuse the plastic bags and avoid foam containers.
- To install a key prepared for a power cut system inside the guestroom in order to save energy in every guestroom.
- To use LED light bulbs in order to save energy inside and outside the buildings, including the control over turning on and turning off the lights automatically in accordance with scheduled time.
- To organize activities to encourage local communities and employees to help save the environment.
- To arrange a monthly cleaning day as well as doing the cleaning in neighboring communities.
- To do the cleaning of the road in front of the Hotel every month.

The hygiene and safety

- To use proper fire-preventive equipment and/or prepare a proper fire preventive system.
- To provide fire-preventive training and practice every year as stipulated by law.
- To have an efficient 24-hour monitoring and safety system such as security guards and surveillance cameras.
- To have hygiene and safety measures to prevent the pandemic of Corona Virus Disease (COVID-19) according to the certification of SHA.

The Golf Business

Products and Services

The golf business is operated by MBK Resort Public Company Limited (“MBK-R”) and Riverdale Golf and Country Club Company Limited (“RDGCC”) and MBK Enterprise Company Limited (“MBK-EP”). The detail of business is as follows:

The golf business in Phuket province is operated by MBK Resort Public Company Limited (“MBK-R”), an indirect subsidiary which MBK holds 72.98%. MBK-R has two golf courses which are currently operating open for golf business. They include the Loch Palm Golf Course (“Loch Palm Golf Course: LPGC”) and the Red Mountain Golf Course (“Red Mountain Golf Course: RMGC”) and are located in Kathu district, Phuket province.

Loch Palm Golf Course (LPGC) has opened since 1993 and MBK GROUP has operated it from 2002 until now. Red Mountain Golf Course (RMGC) is developed and built by MBK-R and it was officially opened in 2008.

Loch Palm Golf Course (LPGC) is a standard golf course with 18 holes, par 72, on an area of about 500 rai. It has been specially designed, taking into consideration the unique characteristics of its landscape. It includes a large lake and a long line of fresh green palm trees which are the main elements of the golf course. For the convenience of golfers who need a warm-up before playing a round, there is a driving range located in the same area.

Red Mountain Golf Course (RMGC) is MBK-R's second golf. It is a new standard golf course with 18 holes, par 72 on an area of over 600 rai which is adjacent to the Loch Palm Golf Course (LPGC) golf course. Red Mountain Golf Course (RMGC)'s clubhouse equipped with full amenities is located at the foot of the hill where golfers can have a clear view of the whole landscapes. In addition, it provides golfers with golf driving ranges and other facilities including putting greens for practicing, which are well maintained and look like the real ones. The driving ranges and available facilities enable golfers to enjoy the game more than before.

The golf business in Pathum Thani province is operated by Riverdale Golf and Country Club Company Limited ("RDGCC"), with a golf course that has been opened since June 2010 called 'the Riverdale Golf Club' (RDGC). Located in Bang Kradi district, Pathumthani province, it is a standard golf course with 18 holes, par 72, on an area of about 346 rai. The golf course has been specially designed, based the concept of a golf course in the valleys. To achieve such an impressive landscape, it is necessary to dig over 10 meters down into the earth. The purpose is to make the golfers feel that they are playing golf in the valleys. The design also includes creation of hills in order to make the game more challenging for the golfers. As regards the club house, it incorporates modern design features and is equipped with a full range of amenities. Looking from the club house, the golfers will enjoy a beautiful panoramic view of the whole golf course as if they looked down from the top of a mountain. It also has driving ranges for golfers and a putting green which is maintained as well as real golf course in order to practice and get prepared before playing.

For the management of Bangkok Golf Club (BKGC) run by MBK Enterprise Company Limited ("MBK-EP"), BKGC has its reputation for a long time. Adjacent to Riverdale Golf Club (RDGC), it is a golf course with 18 holes and par 72, which provides both Day Golf and Night Golf services. It once had been managed for the Golf Championship's Asian Tours. Facilities are completely provided for golfers, including banquet rooms, in order to completely offer services to golfers. BKGC's strengths are that green speed is fast which challenges golfers, and the golf course is not too long but designed for golfers to enjoyably play with its design of neither too difficult nor too easy to play. Therefore, it is popular among golfers.

In 2020 the golf business renewed the reciprocal agreement with leading golf courses in foreign countries. The new contracts made MBK GROUP's golf business to have business alliances with different 13 golf courses as follows:

1. Montgerie Links, Vietnam
2. Mount Lawley Golf Club, Australia
3. Tanah Merah Country Club, Singapore
4. Singapore Island Country Club, Singapore
5. Orchid Country Club, Singapore
6. Bintan Lagoon Resort, Indonesia
7. Macau Golf & Country Club, Macau
8. The Royal Selangor Golf Club, Malaysia
9. Kota Permai Golf Club, Malaysia
10. Seletar Country Club, Singapore
11. Ostravice Golf Club, Czech Republic
12. Pacific Links Int., U.S.A. (Hawaii)
13. Mission Hills Golf Club, China





Moreover, the Golf Business has become an alliance with Pacific Links International Group which currently has 98 golf courses – 42 courses in the United States, 6 courses in Canada, 14 courses in U.K. and the Europe continent, 1 course in China, 1 course in Japan, 4 courses in Indonesia, 1 course in Singapore, 15 courses in Australia, 3 courses in the Philippines, 1 course in South Korea, 6 courses in Vietnam, 4 courses in other countries.

From such alliances, the golf business has a connection with 242 courses in 28 countries, resulting in an increase in revenues from golf members under the provisions of a reciprocal agreement. Furthermore, the members also receive the privileges from our business alliances. We have planned to further expand the number of international alliances in order to increase the number of golfers visiting the course.

The Major Changes and Developments in the Past Year

-None-

The Group of the Customers of the Golf Business

Loch Palm Golf Course (LPGC) and Red Mountain Golf Course (RMGC)'s distribution channels are divided by customer groups into two categories as follows:

- **Overseas Customers**

Most foreign customers of Loch Palm Golf Course (LPGC) and Red Mountain Golf Course (RMGC) are tourists from the European continent, the Asian continent, and Australia. The distribution channels are as follows:

- Through travel agencies which are both domestic and international representative agents of Loch Palm Golf Course (LPGC) and Red Mountain Golf Course (RMGC).
- Through the electronic media such as the website called www.mbk golf.com or e-mails. Moreover, the public relations are also run through the electronic media such as Facebook.
- Members of golf partnership under the provisions of a reciprocal agreement.
- Other affiliated companies from other businesses that share their customer database in order to expand their customer base.

In 2020, an epidemic outbreak of Corona Virus (COVID-19) caused foreign customers to be unable to come to the country in order to use services.

- **Domestic Customers**

Most domestic customer target groups consist of foreigners who are living in Phuket and adjacent provinces and domestic tourists. Moreover, there are customers who are members and non-members visiting the golf courses on their own. There are 6 types of membership as follows:

- Permanent individual membership (only at LPGC)
- Permanent juristic person membership (only at LPGC)
- Annual membership for local residents (only at LPGC)
- Annual membership for civil servants (only at LPGC)

- 30-year membership for the house owner within Loch Palm Golf Course (LPGC) & Red Mountain Golf Course (RMGC) projects
- One-year and two-year short-term membership

Moreover the Golf Course can support the competition of the associations, the companies or the institutes which arrange the golf competition.

The distribution channels of Riverdale Golf Club (RDGC) are similar to those of Loch Palm Golf Course (LPGC) and Red Mountain Golf Course (RMGC). There are 2 types as follows:

- **Overseas Customers**

The majority of Riverdale Golf Club (RDGC)'s customers are from the Asian continent, particularly the Japanese tourists, which use the following distribution channels;

- Travel agencies of Riverdale Golf Club (RDGC).
- Through the electronic media such as the website called www.mbkgolf.com or e-mails. Moreover, public relations are also run through the electronic media such as Facebook.
- Members of golf partnership under the provisions of a reciprocal agreement.
- Other affiliated companies from other businesses that shared their customer database in order to expand their customer base.

In 2020, an epidemic outbreak of Corona Virus (COVID-19) caused foreign customers to be unable to come to the country in order to use services.

- **Domestic Customers**

Most of domestic customers are from Bangkok and its surrounding areas, both Thai residents and foreigners having business or working in Thailand. Customers who have a member card of Riverdale Golf Club get a special discount for card-holding members, and walk-in customers. Moreover, there are customers who book tee-time scheduled all day long for competition that generates an income for Riverdale Golf Club (RDGC) by 10 percent of the total green fee.

The distribution channels of Bangkok Golf Club (BKGC) are similar to those of Riverdale Golf Club (RDGC). There are 2 types as follows:

- **Overseas Customers**

Most overseas customers of Bangkok Golf Club (BKGC) are tourists from the Asian continent, particularly the Korean golfers. The distribution channels to sell are as follows:

- Through travel agencies which are representative agent of Bangkok Golf Club (BKGC).
- Through the electronic media such as the website called www.mbkgolf.com or e-mails. Moreover, public relations are also run through the electronic media such as Facebook.

In 2020, an epidemic outbreak of Corona Virus (COVID-19) caused foreign customers to be unable to come to the country in order to use services.

- **Domestic Customers**

Most of domestic customers are from Bangkok and its surrounding areas, both Thai and foreigners having business or working in Thailand. This group's need is to play golf with not too high fees but the high frequency of golf playing, particularly public officials. Moreover, customers who get the Night Golf service are the ones who generate main revenues for the golf club. MBK Golf Card is issued in order to increase a number of domestic golfers.

As well, Loch Palm Golf Course (LPGC), Red Mountain Golf Course (RMGC), Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC) occasionally organize seasonal promotion activities and tournaments for associations and clubs in general.

The Golf Business's future business goals are to be highly favorite golf courses at national level, raise services standards in accordance with a golf course's standards and improve facilities in order that service users gain the utmost satisfaction.

The Marketing and Competitive Situation

The tendency for golfers worldwide has declined because in 2020, an epidemic outbreak of Corona Virus (COVID-19) caused less golfers to use services in golf courses. Also, the new generation likes to play golf less according to the era that the digital technology's role is increasingly important. However, nowadays, playing golf is encouraged as a recreational and tourist activity. Therefore, the golf business still has a good opportunity in the future.

1 The Competitive Situation of the Golf Business

- **Phuket**

In 2020, the overall situation of the Golf Business still slowed down like the situation in 2019. It was predicted that the situation would continuously sluggish in 2021 because foreign golfers are likely to decrease according to the epidemic outbreak of Corona Virus (COVID-19) which has been an pandemic situation all over the world. This caused golf courses in the area to focus on local golfers in Phuket instead by using a price strategy for local golfers.

Loch Palm Golf Course (LPGC) and Red Mountain Golf Course (RMGC) also have advantage over the competitors in Phuket, which are the locations of the golf course as they are located near the central area and Patong Beach—a significant tourist attraction of Phuket. Moreover, both golf courses have large areas allowing potential for the development of various components. As a result, the golf courses are always novelty, beautiful and have the view of natural scenery.

Red Mountain Golf Course (RMGC) and Loch Palm Golf Course (LPGC) have received good feedback from both Thai and foreign golfers due to the features of the course, which was designed to challenge, accompanying with the beauty of the landscape. This also includes a regular maintenance of the golf course and well-equipped facilities. Within a short period of time, Red Mountain Golf Course (RMGC) and Loch Palm Golf Course (LPGC) are considered the leading golf courses of Thailand and received many awards given by Trip advisor, Asian Golf Award, HAPA, Thailand Best Golf Courses, Best of Thailand Awards Voted by Chinese Tourists, IAGTO, IGOLF Charter. These two golf courses are recognized by both foreign and Thai golfers as ones of the best golf courses recommended as the must-visit golf courses if they travel to Phuket.

- **Bangkok and Its Surrounding Provinces**

In 2020, Riverdale Golf Club (RDGC) had been opened for 10 years and business competitions were increasing, by both new golf courses and other golf courses that renovated their layout to be more interesting and challenging. Marketing events with fees as incentives were organized. There were also nearly-opened golf courses nearby. Golfers then had a variety of choices to pick, but Riverdale Golf Club (RDGC) still held the advantages in terms of location, which is located not far from the heart of the city like Bangkok. Moreover, the layout of the golf course has a distinctive design and is different from other competitors within the same area, together with the integrity and challenging of the golf course which has been broadly mentioned that Riverdale Golf Club (RDGC) is one of the must visit golf courses.

Moreover, Bangkok Golf Course (BKGC) has been continuously improved in order to attract the existing customer groups to use the service again by improving its golf courses, its clubhouse as well as the electricity system of the Night Golf.

2 Golf Business's Industry Outlook and Competitive Situation in the Future

- **Phuket**

According to the epidemic outbreak of Corona Virus (COVID-19), both golf courses of MBK-R— formerly focused mainly on tourists— have to adapt themselves because of today's situation. They have turned to focus on local golfers and domestic golfers more.

For the competitors in the future, no new golf courses are constructed. Competitors turn to co-operate with the golf courses in Phuket in order to stimulate golfers to come for the service more. However, both golf courses have adapted their strategies in order to support more local and domestic golfers and continuously run marketing for foreign golfers in order that a number of golfers will reach the goal through fee types and an online booking system.

- **Bangkok and its Surrounding Provinces**

Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC) aims primarily at Thai and foreigner customers that operate their business or work in Thailand, as they are located near the center of Bangkok. Moreover, tourist groups that come to play golf and customers that book Tee-Time are potential customer groups for increasing Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC)'s income in the future. Thus, the future of Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC)'s industry trend and competitive situation mainly depend on domestic factors and impacts such as the epidemic outbreak of Corona Virus (COVID-19) domestic economic condition and political issues.

In the future, new golf courses will be opened around surrounding provinces. The market is highly competitive due to new golf courses, existing golf courses that are renovated, and the density of competitors in the same area. However, Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC) are still competitive for its outstanding design, easy access and good service, with the clear target groups that can provide a variety of marketing types. Marketing plans are prepared to increase distribution channels to sell through agencies such as tour and travel agencies. They also emphasize organizing competitions both in groups and tournaments, which are still on high demand.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

- None -

2) The reduction in noise-related impacts

- None -

3) The reduction in waste-related impacts

- None -

4) The reduction in water-related impacts

To regularly check the quality of water in ponds or sources of water inside golf courses every year. It is found that the quality of water meets standards according to the announcement of the Ministry of Public Health.



5) The reduction in other environmental impacts

To run the Golf Business, it has to take care of the golf courses' condition by putting fertilizers and chemicals on the soil. However, Loch Palm Golf Course (LPGC), Red Mountain Golf Course (RMGC), Riverdale Golf Club (RDGC), and Bangkok Golf Club (BKGC) take such environmental impacts into consideration. Therefore, they have a policy to reduce the use of fertilizers and chemicals for taking care of the golf courses' condition and try to use compost and natural substitutes for taking care of the golf courses' condition.

The Real Estate Business

The Real Estate Business has operated the business as follows:

1. Property development for sale business.
2. Property management business.
3. Asset appraisal and advisory service business.

Property Development for Sale Business

Products and Services

MBK Real Estate Company Limited ("MBK-RE") operates business by developing vacant land for sale, which is a single home residential project that is divided into 2 types: pre-built houses and built-to-order houses.

The Major Changes and Developments in the Past Year

Due to the success of the QUINN Condo Ratchada Project, MBK-RE developed a residential condominium project called QUINN Condo Sukhumvit 101, next to BTS Station "Punnawithi" on Sukhumvit Road (Punnawithi 101). The project's main target group is the middle-class to the upper-class customers. The project's total value is over 2,000 million Baht. The project was launched in the 4th quarter of 2018. Moreover, MBK-RE has developed the QUARITZ Project—a residential project for single houses and allocated plots of land on Rama IX Road. This project was designed for modern and luxurious houses surrounded by the nature. The project's value is over 600 million Baht and has been available for sale since the 3rd quarter of 2020.

Two residential projects in Pathum Thani comprised of the Park Riverdale Project and the Riverdale Residence Project have the total value of more than 2,500 million Baht. These 2 projects could generate revenue recognized for the Real Estate Business.

The Target Customer of Property Development for Sale Business

1. The house buyer group who needs the first house. This group has upper-middle and above income. This group needs a house located in the Central Business District (CBD) or community areas.
2. The house buyer group who needs the second house upcountry for the leisure purpose. This group has middle to high income.
3. The investor group who buys houses for the purpose of renting them out.

The Marketing and Competitive Situation

1 The selling and distribution channels of property development for sale

The distribution channels of MBK-RE to sell property development consists of the following:

1. Through MBK-RE and PST's direct sales teams.
2. Through sales agents.
3. To provide advertisements, public relations activities, and sales promotion campaigns through a combination of online and offline channels in order to create and expand distribution channels and disseminate information to customers so that they recognize and have an acknowledgement of the products more.

2 The Competitive Situation of Property Development for Sale Business

In 2020, there was an epidemic outbreak of Corona Virus (COVID-19) which required measures and cooperation to Work from Home. The behavior has been changed to 'New Normal' behavior. Then, horizontal residences have been more needed than vertical residences. It is expected that detached houses, townhouses, and town homes will be continuously grow. For the situation of competition in the land development business for sale in 2021, it is anticipated that real estate developers will hasten to release inventories by organizing promotional activities for selling in order to persuade buyers. In 2020, for example, there was high competition because of more supply than demand. In addition, the country's economic situation did not quite grow much. Several developers still postponed the opening of new projects or opened new projects less than the opened projects in 2019.

The Real Estate Business focuses on developing projects in both potential horizontal and vertical locations in order to respond to customers' changing needs by emphasizing from middle to high target groups as well as regularly studying and developing residences and services in order to meet the needs of consumers whose behavior change according to the social context and environment such as the use of technology applied to residences and services, the emphasis on improving products and services based on the developed data base in order to increase various options and offer customers convenience and satisfaction.

3 Property Development for Sale Business's Industry Outlook and Competitive Situation in the Future

In 2020, a tendency to Thailand's real estate market slowed down because it was affected by the epidemic outbreak of Corona Virus (COVID-19) as well as financial institutes' stricter measures to give loans as a result of a higher rate of household outstanding debts and less re-employment in the labor market. It caused potential buyers to slow down their decision making on buying the real estate. In 2021, it is expected that a tendency to Thailand's real estate will recover following the country's economic situation which the real estate developers will hasten to release their existing inventories in order to stimulate faster decision making of buyers. Although in 2020, the real estate market slowed down, the market of horizontal residences had higher growth rate than the vertical residences because of the changing behavior as a result of the mentioned outbreak. This made the New Normal concept of working from home. The real estate business then has developed both horizontal and vertical residences for having functions for houses or condominiums in order to respond to the needs of consumers whose behavior has been changing regularly.

The Property Management Business

Products and Services

Property Management Business is operated by Plan Estate Company Limited ("PST"). It is engaged in the business of managing properties as follows:

1. To look after and maintain the properties under its management, making sure that they are in good conditions and ready for sale.
2. To provide services, including improvement and renovations of the properties.

3. Coordination with financial institutions in applying for loans for the buyers of the properties.
4. To act as a sales agent of financial institution for their foreclosed properties.

At the present, PST have more roles in operating the real estate business by giving services in management and managing the real estate efficiently both in continuously developing project, property maintenance, marketing and selling to increase the real estate value that are in the Company's care. Projects and communities that the Company had managed are as follows: Baan Suan Phuttamonthon Sai 1, Baan Suan Cha-am Beach, Glas Haus Building (Sukhumvit), Glas Haus Building Ratchada and MBK Tower.

The Target Customer of the Property Management Business

The key customer Most of PST's customers are those of financial institutions.

The target groups of PST consist of the following:

1. Members of the general public who purchase the properties for residential purpose or for their own use.
2. Retail investors who purchase the properties and renting them out for a return.
3. Retail investors who purchase the properties for the purpose of renovating them and re-selling them to others.
4. Big-scale investors who purchase the properties for further development.
5. Debtors who are entitled to buy back the foreclosed properties.

The Marketing and Competitive Situation

1 The selling and distribution channels of the Property Management Business

The distribution channels of PST's property management business consist of the following:

1. Through PST's sales teams.
2. Through auction activities.
3. Through media such as magazines, printed materials, PST's website, brochures or leaflets.
4. Through real estate brokers.
5. Through establishment of portfolios of properties offered to investors.
6. Through cooperation with financial institutions and banks in setting up booths to promote sales and give information about the properties to prospective buyers of new and second-hand houses.

2 The Competition in the Property Management Business

PST's potential in property management is stronger than those of its competitors as it maintains the properties under its management in good condition. In addition, its services include negotiation with those trespassing on the property foreclosed by the financial institutions, which is the main problem encountered by the financial institutions.

For the project selling management business, PST has started this business in 2006. The business is highly competitive with many operators. However, PST has adopted an effective strategic plan, in terms of providing knowledge and expertise for personnel regularly. PST has also changed strategies for the market situations appropriately such as the use of information technology for the operations, as well as creating a property database which PST provides management and sale services. These are used for the data analysis of trends in second-hand property in each location in the future. It is anticipated that this business will generate good returns for PST.

3 The Property Management Business's Industry Outlook and Competitive Situation in the Future

A second-hand real estate trend for the year 2021 shows that there are opportunities and great choices because a domestic Non-Performing Loan (NPL) turns to go up, compared with 2020 and is predicted that it will higher in 2021 because it is affected by the epidemic outbreak of Corona Virus (COVID-19). This is an opportunity for the property management business which will have a higher number of second-hand property that can be further managed in order

to add value to the property prepared for sale in the market. However, the country's economic situation of the property management business in 2021 remains stable. This may be a risk factor to have an effect on purchasing power in the market as well.

In view of the above situations, the competition is expected to remain intense. Both financial institutions and brokers in the private sector need to improve their marketing strategies and the quality of their services. As well, they should continuously organize sales promotion activities.

The Property Appraisal and Advisory Service Business Products and Services

The business is operated by Plan Appraisal Company Limited ("PAS"), available as follows:

1. To appraise the value of residential properties for projects.
2. To appraise the value of properties in general, such as houses, apartments, and hotels.
3. To give advice on valuation and use of properties, taking into account the legal constraints.
4. To conduct feasibility studies of property development projects.
5. To give opinions on the management of foreclosed properties for sale.

The Target Customer of Property Appraisal and Advisory Service Business

1. Financial institutions.
2. Property development operators or real estate developers.
3. The general public.

The Marketing and Competitive Situation

1 The selling and distribution channels of property appraisal and advisory service business

PAS has two main distribution channels for its property valuation and advisory business as follows:

1. For financial institutions, PAS offers its services directly to their property valuation department or collateral office.
2. For property development operators or real estate developers, PAS offers its services through websites and through its letter of introduction.

2 The property appraisal and advisory service business's industry outlook and competitive situation in the future

The property appraisal business varies in the same direction of the economic situations. In 2021, banks' credit giving tends to slow down because of an impact of the epidemic outbreak of Corona Virus (COVID-19) which will affect the growth of credit for small and medium enterprises. Particularly, it is predicted that the home credit will affect the possibly slowed down market of the property appraisal business in 2021. However, under industrial circumstances in 2021, PAS focuses on expanding a diversity of the customer base of the property appraisal business for the growth in the future.





The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

- None -

2) The reduction in noise-related impacts

- None -

3) The reduction in waste-related impacts

- None -

4) The reduction in water-related impacts

- None -

5) The reduction in other environmental impacts

Actions to reduce the impact on the environment are mainly concerned with the Property Development Business operated by MBK-RE. The company is required to take actions to reduce the environmental impacts of all projects. This is in compliance with the requirements imposed by the Environmental Impact Evaluation Bureau (EIEB) under the Office of Natural Resources and Environmental Policy and Planning (ONEP). For each of its property development projects, MBK-RE is required to conduct an Environmental Impact Assessment (EIA) before the construction of each project.

As regards the foreclosed properties for sale and the management of other property development projects, PST also continuously complies with the standard requirements imposed on those properties.

The Food Solution Business

The Food Solution Business is operated by Patum Rice Mill and Granary Public Company Limited ("PRG") and its subsidiary. Their main business includes producing and selling rice and other related products both in the local and overseas markets, as well as operating the restaurant and food court business. The details about their products and distribution channels are as follows:

Products and Services

The Main Product – The Rice Business

The main product of PRG is rice in plastic packaging, in the package size of 200 grams, 450 grams, 1 kilograms, 2 kilograms, 5 kilograms, 15 kilograms, 48 kilograms, 49 kilograms, and 50 kilograms, under the trademarks of "Mah Boonkrong Rice", "Mah Boonkrong Plus Rice" and "Jasmine Gold Rice". In 2016, PRG has increased the product distribution under the trademarks of "Pun Suk Rice" (Sharing the Happiness Rice) and "Mah Boonkrong Organic Rice" which their details are as follows:

- Jasmine rice is the rice that has won plates of award for the production of quality packaged rice more than 10 years and it is the first Company in Thailand that has been awarded the standard certificate (with a picture of hands together in a praying position inside a square), and the excellent standard certificate

(with a picture of hands together in a praying position with a star— ★), Granted by the Department of Internal Trade, the Ministry of Commerce. This can assure that every bag of Mah Boonkrong Jasmine Rice always holds the constant standards. Jasmine rice can be divided into several types as follows:

- Jasmine Rice 100% (a red foil bag), consisting of new 100% jasmine rice from an early season. This comes in the package size of 5 kilograms.
- Jasmine Rice 100% (a red bag), consisting of 100% jasmine rice. This comes in the package size of 200 grams, 2, 5, and 15 kilograms.
- Jasmine Rice 100% (a green bag), consisting of old 100% jasmine rice. It comes in the package size of 1, 5, 15, 45, 49 and 50 kilograms.
- Jasmine Rice 5%, consisting of 95% whole grain jasmine rice and 5% broken jasmine rice. It comes in the package size of 5 kilograms.
- Jasmine Rice 10%, consisting of 90% whole grain jasmine rice and 10% broken jasmine rice. It comes in the package size of 5, 15, 48, 49 and 50 kilograms.
- Jasmine Rice 100% — Jasmine Gold— is extra quality jasmine rice packed in a vacuum bag with the package size of 2 kilograms.
- Noppakhun Aromatic Brown Rice is 100% brown jasmine rice that is packed in a vacuum bag with the package size of 2 kilograms.
- Brown jasmine rice 10% (organic brown jasmine rice 10%)
- Brown jasmine rice 5% (organic brown jasmine rice 5%)
- Tip Fragrant Rice is a mixture of 70% of 100% jasmine rice and 30% of 100% white rice. Package size of Homtip Rice (a yellow bag) is 5 kilograms, Tip Fragrant Rice (a pink bag) is 5 kilograms, and Homtip Rice (an orange sack) is 15, 48, 49 and 50 kilograms.
- Fragrant rice 100% — a combination of Jasmine rice 20% and Patum fragrant rice 80% with the package size of 5 kilograms.
- Patum Fragrant Rice 100% is the fragrant rice that is developed from Jasmine rice's species. The package size of Patum fragrant rice (an orange bag) is 5 kilograms and Patum fragrant rice (a green bag) is 5 kilograms.
- White Rice 100% (a blue bag), with the package size of 5 kilograms and Ruangkaew rice (a dark blue bag), with the package size of 1 and 5 kilograms.
- White Rice (Saohai) 100%, consisting of 100% white rice (a blue sack) with the package size of 15, 48, 49 and 50 kilograms.
- White Rice 15% (a brown bag), with the package size of 5 kilograms and Ruangtip rice (a purple bag) with the package size is 5 kilograms.
- Pun Suk Rice, is available for both white rice and jasmine rice, with the package size of 45, 48, and 49 kilograms.
- Mah Boonkrong Plus is Thai jasmine rice with nutritive value from vegetables and grains and no additives. 5 types of Mahboonkrong Plus are as follows:
 1. Grains Rice, consisting of sunflower seeds, black sesame and pumpkin. The package size is 450 grams.
 2. Five-Color Rice, consisting of corn, carrots, taros and green peas. The package size is 450 grams.
 3. Quinoa Fragrant Rice, consisting of quinoas, carrots, and Job's tears. The package size is 450 grams.
 4. Riceberry is a new species of jasmine rice, the cross-bred species of black rice and jasmine rice. It contains protein 2 times more than jasmine rice and high antioxidants— anthocyanin, beta-carotene, gamma oryzanol, vitamin E, tannin, zinc, and folate— but a low level of sugar. The package size is 1 kilogram.
 5. 4 Hearty Rice is suitable for anyone who likes healthy food for a good health or begins to eat brown rice. It consists of 100% jasmine rice which is a specially selected grade, 100% brown jasmine rice, 100% riceberry, and red brown jasmine rice. It is an excellent cross-bred species which provide utmost nutritious benefits under a special formula of Mah Boonkrong rice. Therefore, already cooked rice has its constant quality and looks delicious. The package size is 1 kilogram.

- Mah Boonkrong Organic Rice is chemical-free rice and receives international standards— U.S.’s National Organic Program (NOP) and EU’s organic agriculture standards. It can be divided into 3 types as follows:
 - Organic Jasmine rice is jasmine special grade-selected rice 100%, with the package of 1 kilogram.
 - Organic Jasmine Brown Rice is jasmine brown rice 100%, with the package of 1 kilogram.
 - Organic Riceberry is riceberry brown rice 100%, with the package of 1 kilogram.
- Organic Rice Bran Oil, in capsule form, named “Mah Boonkrong Plus” is produced from fresh organic rice bran which is cold pressed immediately within 24 hours after being milled. Specific oil extractors are used, the oil is pure, fragrant, fresh, long kept, not rancid, and containing all nutrients. It ensures that the rice bran oil is free of chemical contamination and its organic agriculture standards are certified by the International Federation of Organic Agriculture Movements (IFOAM).
- Pure Rice Bran Oil “INNO FOOD” is produced from fresh rice bran and rice germ by a cold press method. The rice bran oil’s quality is the best. Also, the oil press factory is clean in accordance with the standards.

The By-products

The by-products are broken milled-rice, white rice bran, and rice rejection which is broken rice resulting from an improvement process of rice quality. It is used to mix with other rice species for a formula for inferior grades as required. Moreover, broken milled-rice which is small is sold to animal feed manufacturers in order to produce animal food.

The Main Product— the Food Court Business

MBK-FI— which is PRG’s subsidiary— operates the Food Court Business under trade names of “Food Legends by MBK” and “ImJung” Food Court. It runs 3 food courts which two food courts are located on G floor and the 6th floor of MBK Center, and the third one is located on the 4th floor of Samyan Mitrtown.

PRG’s Subsidiaries

PRG Properties Company Limited (“PRG-P”) (PRG holds 99.99% of its paid-up capital)

The previous name of PRG-P was PRG Granary Company Limited (“PRG-G”). PRG-P offers a rental service of warehouses and land to PRG, MBK GROUP, and other companies which are situated close to the location of PRG in Pathum Thani. PRG-P has a policy to develop land in order to work on a 77-rai real estate project for a term of 5-10 years in order to increase the value of properties and generate incomes for the business such as renting pieces of land out for warehouses and providing a dock for ships to dock and be stored. Annual and monthly contracts are made. The fees are charged according to the amount of storage’s spaces or area spaces.

Nowadays, the project’s land development has begun and has a plan to provide docking and storing services for ships in 2021 which is part of the project’s land development called Riverdale Marina.

Ratchasima Rice Company Limited (“RR”) (PRG-P holds 99.99% of its paid-up capital.)

RR was established on 2nd June 1997, approved and promoted by Board of Investment (BOI) to hand over the best quality selection of rice from PRG. The Company is the manufacturer and distributor of milled rice that is packed bags for the local market under “Mah Boonkrong” trademark.

Nowadays, RR is the major producer to improve the quality of jasmine rice— by selecting and improving the quality of rice so that the rice is bag-packaged for PRG and other domestic and international buyers. Moreover, RR has also conducted business of buying rice for PRG and ordinary people.

RR produces rice for health which consists of Organic Jasmine rice, Riceberry, Organic Riceberry, 4 Hearty Rice, Quinoa Fragrant Rice, Grains Rice and Five-Color Rice.

Simapac Company Limited (“SMP”) (PRG-P holds 99.99% of its paid-up capital.)

SMP runs business of the inventory’s management, the distribution of products, and renting out its factory’s buildings to the Group’s affiliates.

MBK Food and Entertainment Company Limited (“MBK-FE”) (PRG holds 99.00% of its paid-up capital.)

MBK-FE conducts space rental and food-and-beverage selling-related equipment business. Its business includes rental spaces with long-term and short-term contracts and catering service of providing food and beverages in shopping centers, flea markets and event areas both in Bangkok and its peripheral areas.

MBK Food Island Company Limited (“MBK-FI”) (PRG holds 99.99% of its paid-up capital.)

MBK-FI conducts the Food Court Business under the trade names of “Food Legends by MBK” and “ImJung” Food Court, with a total of 3 food courts which are situated in downtown areas. They can be reached by the Bangkok Mass Transit System (BTS or the Sky Train), the Metropolitan Rapid Transit (MRT), and other public transportation. The two food courts are situated on the 6th floor and G floor of MBK Center and the third one is situated on the 4th floor of Samyan Mitrtown.

MBK Restaurant Group Company Limited (“MBK-RG”) (PRG holds 99.99% of its paid-up capital.)

MBK-RG conducts the business of trading in raw materials and food products.

INNO FOOD Thailand Company Limited (“INF”) (RR holds 99.99% of its paid-up capital.)

INF conducts the space and equipment rental business for the sale of food and beverages.

MBK Food Service Company Limited (“MBK-FSV”) (PRG holds 50.99% of its paid-up capital.)


MBK-FSV is a joint venture between Patum Rice Mill and Granary Public Company Limited and MBK Hotel and Tourism Company Limited. It conducts the business of the procurement of raw materials for food preparation and the distribution of products in order to support the GROUP’s business.

The Major Changes and Developments in the Past Year

The Rice Business

In 2020, the epidemic outbreak of Corona Virus Disease (COVID-19) worldwide had an impact on changes in the economy, consumers’ purchasing behavior, and lifestyle. These impacts caused an overall picture of the Rice Business in the country to remain unchanged but not severe, if compared with other business, because rice products were necessary for consumption. For an overall picture of the foreign market, Thailand’s volume of rice exports decreased, if compared with the previous year, because raw materials of white rice which was main export could be less harvested as a result of drought. Therefore, it could not compete with competitors in the world’s market in terms of price. Moreover, during near the year’s end, there was a shortage of containers, causing highly increased fees for sea freight. Therefore, the volume of Thailand’ rice exports hugely decreased, if compared with 2019, from a decrease in exports. Exporters turned to the domestic market more. The price competition was then fiercer. However, entrepreneurs had an awakening to cope with the crisis. They adapted their strategies in order to be align with the competition and the market’s needs such as to increase products of mixed fragrant rice in order to support the consumers’ purchasing power, and to adapt the investment policy to purchase raw material during each period of time which was a factor in creating competitive advantages of each entrepreneur.





Then, PRG sets business plans carefully— the plans for buying raw materials, the sale, the pricing strategy, and boosting the confidence of consumers— in order to enhance the competitiveness in the market efficiently.

For its policy to be the Food Solution for today’s customers, PRG focuses on increasing a diversity of food products in order to harmonize with its operational guidelines by maximizing efficiency of the sale and marketing through main channels with the concentration on the brand image of quality products which are distributed under operations and trademarks of “Mah Boonkrong” and “Mah Boonkrong Plus” for both domestic and foreign markets in order to build confidence in the operations by MBK GROUP. The sales distribution is divided into 2 main channels— domestic and foreign channels— as follows:

The domestic sale has 4 separate channels.

1. Modern Trade— All modern retailers such as Tesco Lotus, Macro, Big C, Tops Supermarket, Max Valu, 7-eleven, and convenience stores.
2. Traditional Trade— General wholesale and retail channels consisting of wholesale shops and grocery stores across the country.
3. HORECA— Direct sales channel consisting of hotels, hospitals, restaurants, factories, and food service providers.
4. Original Equipment Manufacturer (OEM)— To produce products under the customers’ brands for the retail business and agencies for domestic and foreign distribution.

The overseas sale has 4 sales zones.

1. Europe and America
2. The Asian and Middle Eastern Countries
3. Africa
4. Australia, New Zealand and the Pacific Islands

The distribution channels are divided into 2 channels as follows:

1. Distribution through the Company’s distribution center in Pathum Thani, Surat Thani, and Nakhon Ratchasima.
2. Direct distribution from a producer to buyers in order to reduce transportation costs.

Apart from the business of renting out warehouses in Pathum Thani, PRG has a land development policy to develop 77-rai in Pathum Thani, by Chao Phraya River. This mentioned land development has been planned as Riverdale Marina Project, consisting of a marina for yachts, a warehouse for storing ships, restaurants, the Multi-purposed Hall, markets, retail and residential establishments. All are part in the Riverdale District Project and aimed to add value to the properties and generate incomes. The project has a period of 5 to 10 years. This project has attracted a lot of interest from young businesspeople and is in the process of negotiations on collaboration in details. Moreover, the land management team has co-developed pieces of land of MBK GROUP— 38 rai of empty land around a junction called Bang Poon, adjacent to Saint Carlos Hospital, was developed to be an evening market, and the land in Sikhio was partly developed for being rented out for agricultural purposes in order to support the sustainable development and adding value to the business.

The Food Court Business

The “Food Legends by MBK” Food Court

The “Food Legends by MBK” Food Court and “ImJung” Food Court, under the management of MBK Food Island Company Limited, has 3 food courts situated in downtown areas. They can be reached by BTS, MRT, and other public transportation. The two food courts are situated on G floor and the 6th floor of MBK Center and the third one is situated on the 4th floor of Samyan Mitrtown.

Food Legends by MBK is based on the concept of “the Capital of Street Food of Bangkok”. These 2 food courts have gathered legendary restaurants which have a variety of food choices, food’s freshness and cleanliness, and reasonable prices. The selected restaurants are in the trend and food awards given by agencies. These services are provided in order to properly satisfy both Thai and foreign customers of the shopping centers.

“ImJung” Food Court focuses on the concept of “A variety of delicious taste and happily pay less”. It gathers restaurants— which food is delicious and clean and price is friendly— in order to respond to a customer group of employees and tenants in MBK Center.

In 2020, MBK-FI adapted its strategy of Food Legends by MBK by rotating MBK-FI’s alliance-related legendary restaurants which received many culinary awards such as Si-Yak Hong Kong Restaurant, 2-colored Hainanese Chicken Rice Restaurant, Noodles with Raised Chicken Restaurant called Ban Kai Thong, Chutney Restaurant, and Cheng Sim Ei Dessert Shop. Customer-favorited restaurants with their regular customers and their fame for great taste which attracted interest were Eat Pot Restaurant, Hainanese Chicken Rice Restaurant called Sew Lung, and Rad Na 40 Years Restaurant. Snack shops with great taste were selected based on the quality and uniqueness for available services all the year of 2020 in order to add a variety of taste to respond to customer groups which changed according to the situation of the epidemic outbreak of Corona Virus Disease (COVID-19).

Moreover, MBK-FI saw the opportunity to expand its business by opening “ImJung” Food Court on the G floor of MBK Center in order to respond to a target group consisting of offices’ employees and tenants in the shopping center. This target group has focused on food’s good taste, hygiene, and friendly price. The food’s price starts from 40 Baht.

The Marketing and Competitive Situation

1 The selling and distribution channels of the Food Business

1.1 Domestic Selling: PRG distributes rice packed in bag under the trademarks “Mah boonkrong” and “Mah Boonkrong Plus” in Bangkok and its surrounding areas. At approximate 55% is the distribution of rice in Bangkok and its surrounding areas, and the remaining 45% is distributed in other areas around the country.

PRG divided channels of distribution into 3 channels, which are:

- **Traditional Wholesale and Retail Stores.** PRG has the sales volume for approximately 39% of the total sales volume of rice in the country. In 2020, PRG had expansion to more areas in regions by focusing on more distribution in the North, the East, and the West, and focusing on wholesale and retail stores in the regions which are semi-local supermarkets in order to distribute PRG’s packaged rice to consumers throughout all areas.

- **Modern wholesale and retail stores, a supermarket network and co-operatives.** PRG has a sales volume for approximately 27% of all the rice distributed in the whole country. At present, products are distributed by PRG through department stores, cooperatives, and convenient stores in every area, even if in convenient stores in petrol stations. The expansion of more branches is planned to follow the expansion of department stores nationwide. Moreover, PRG increases its distribution channel in order to meet the consumers’ changing lifestyles through an online channel such as distributing the products through Lazada and Shopee, for example. Its goal is aimed to have expansion in all online channels which are accessible.

- **Direct sales, HORECA** PRG has sales volume of 9% of all the rice distributed in the whole country by distributing to a network of restaurants, industrial factories, hotels, hospitals, and educational institutions, and etc. In 2020, PRG focused on more expanding its business to industrial factories in order to replace the contracting of the Hotel and Restaurant Business.

1.2 Export: In the past year, PRG continued to export to main customers and a number of customers were increased. In 2020, the export volume of rice was approximately 25% of the Company’s whole sales volume of rice.

1.3 Original Equipment Manufacturer (OEM) PRG expanded its market by being the Original Equipment Manufacturer to produce more products under the customers’ brands for domestic distribution and export markets. It is operated by Ratchasima Rice Co., Ltd. with the focus of the expansion aimed to more retail business on a large scale and agencies.

2 The market condition of the Food Business

As a result of the epidemic outbreak of Corona Virus Disease (COVID-19), the economy slowdown, purchasing power decreased, and supplies of white rice decreased and did not align with demand in the markets. Also, a shortage of containers and Thailand's policy on the inflation of Thai Baht caused the competitive potential for pricing in this situation to be disadvantageous for Thai entrepreneurs, when compared with their competitors in the world's market. From these factors, Thailand was ranked lower from the world's second rice exporter to the third rice exporter instead. Therefore, apart from price-focused competition, Thai entrepreneurs tried to offer a variety of products, quality, and services mainly in order to create differentiation in the competition and promote sales volumes of each entrepreneur.

For the domestic market, because export volumes did not reach the set goal, exporters turned to focus more on the domestic market. From an overall picture of the market, there was no higher growth rate because rice consumption per person decreased each year, as well consumers' decreased purchasing power. Therefore, each entrepreneur fully tried to keep a market share by using pricing competition, a variety of products to respond to the market's situations, and sales promotion events as main factors.

3 The competitive potential of the Food Business

From the changing society in the era of digital technology and internet, building confidence in the trademark of Mah Boonkrong in order to respond to the world's movements, the policy of PRG has to emphasize the use of information technology to help the management system in order to raise the performance standards at every level and to add more value to the business and consumers. Sales strategies are then a combination of online and offline channels (Omni-Channel) and in-depth information used for the thorough analysis of buying behavior in order to develop new products which more satisfy the consumers' needs. They are important factors for creating the trademark to be differentiate itself from other trademarks. Also, it emphasizes consumers to be aware of the potential and image of the trademark which PRG wants to convey good things to the consumers— the safety quality from the first step of the process to the end users, a diversity, convenience, performance's transparency and accountability, and sharing— as happiness giving to other people.

Nowadays, it can be mentioned that Mah Boonkrong rice maintains its popularity among consumers, having a good growth rate, and consumers' trust in the products of PRG which is the first packaged rice producer who pioneered the market since 1984 and has gained a reputation up until this time. PRG was the first company in Thailand that received the excellent standard certification (with a picture of hands together in a praying position with a star) for packaged jasmine rice in plastic bags, certified by the Department of Internal Trade (DIT), the Ministry of Commerce. Therefore, PRG has the potential to be the leading distributor who has a market share of the domestic market consistently.

There is a policy to focus on creating a system and regulations of work performance which have standards, transparency, and accountability— all are major factors leading to the quality products and services. Strategies in every aspect are adjusted and employed in order to catch up with the market's changes by concentrating on satisfying the need of consumers in time which is a key factor of the organization.

4 The industrial trend of the market of rice packed in plastic bags

A result of the epidemic outbreak of Corona Virus Disease (COVID-19), it has had an impact on the economic situation, consumers' changing behavior, climate and volumes of planting each type of rice of rice farmers. All factors will affect the market's demand-supply in 2021. Therefore, for the competition of rice packed in plastic bags in the domestic market from 2021 forward, several entrepreneurs are going to focus on adapting their competitive strategies to offer products which satisfy the market needs, prices, and the quality; as well as focusing on using technologies to be employed in communication about the trademark in order to reach consumers more.

Moreover, a health-concerned trend is continuously increasing because of the change of today's environment and the epidemic outbreak of Corona Virus Disease (COVID-19). Consumers' behavior tends to have concern for the health more. Therefore, types and design of products that are accessible to the changing behavior, adjusting marketing events, a variety of products to match lifestyle of the consumers, and approaches to reach the consumers through distribution channels in order to create and have access to the consumers as much as possible— all issues are opportunities and obstacles for the entrepreneurs to formulate operational strategies in order to respond to the consumers' needs and create differences in products for the sake of business survival and being a leader.

The Procurement of Product or Services

1) The nature of the procurement of products to be distributed

Patum Rice Mill and Granary Public Company Limited

The Head Office is located at 88 Moo 2, Tiwanont Road, Bangkadee, Mueng, Pathum Thani, 12000.

PRG Properties Company Limited

The Head Office is located at 88 Moo 2, Tiwanont Road, Bangkadee, Mueng, Pathum Thani, 12000. PRG provides services of renting out the Company's properties and developing the real estate.

Ratchasima Rice Company Limited

The plant's location is at 109 Moo 14 Mitraparp Road 199th KM., Tumbol Lardbuakhaw, Amphur Sikhiu, Nakorn Ratchasima 30340. There is improvement in the quality and the packing of rice into bags with the capacity of 120,000 tons per year.

The Raw Materials and Suppliers

At present, PRG has closed down rice mill business and maintained only the quality improvement of rice and rice packing warehouses, therefore primary raw materials are then changed into rice and brown rice, which can be divided into main categories as follows:

1. In-season rice or Napee rice is rice that derived from polished or milled Napee paddy rice which can be planted during May-October and can be harvested as well as distributed to the market from December to February. Napee paddy rice has very good taste. In consuming, when Napee rice is milled into rice, when cooked, it becomes soft and not wet. It is good for storage as it has low moist content. The rice's feature is heavy (rice with harvest age of 120 days or more, counting from the seedling cultivation). It is the most popular for domestic consumption.
2. Off-season rice or Naprungrice comes from milled or polished off-season paddy rice which is cultivated off-season from the normal rice growing period. This rice can be cultivated all year which is 2-3 times a year and can be cultivated on both lowland and areas that have irrigation. Off-season paddy rice has high moist content, it has to be baked to dry. The rice feature is light (rice with harvest age of 90-120 days, counting from the seedling cultivation). When paddy rice is milled and becomes milled rice, it tasted bland.
3. Jasmine rice is rice that derived from polished or milled jasmine in-season rice, which is grown on the area that has sandy soil such as in the northeastern and northern areas. The distinctive characteristic is that after cooked, it will be soft and tender, with soft fragrant aroma and beautiful grain, which is mouth-watering.
4. Patum Thani rice is rice that derived from polished or milled Patum Thani rice, which is grown all year long. Its distinctive characteristic is that after cooked, it will be fragrant, soft and tender, and mouth-watering.

Source of in-season and off-season rice are all over the country but mainly comes from rice mill in the central region such as Nakhon Sawan, Phichit, Phitsanulok, Suphanburi, Phra Nakhon Si Ayutthaya and etc. However, the source of Jasmine rice comes from the northeast region such as Buriram, Khon Kaen, Roi Et, Sisaket, Maha Sarakham and etc.; as well as rice mill in the central region which is mentioned earlier.





Since rice is an agricultural product, which generally agricultural products' fluctuation in prices is high. Moreover, the nature of rice is a seasonal product, that is in-season rice during December and February is the high yield harvest interval, the price is then lower than other periods. However, as a result from government's rice pledging project, the rice price tends to rise higher than the previous year.

To purchase the rice, the quality of rice must be checked such as the amount of moisture, the length of the grain, rice yield, level of milling, purity degree, cooking properties. The jasmine rice has to be checked for its DNA in order to find the adulteration of other rice types.

To purchase the rice, the Company mostly purchases rice directly from the rice mill and purchases through 2-3 agents. The Company has always researched and analyzed rice situations in order to reduce price risks and prevent the shortage of raw materials that are used in production.

2) The environmental impacts

1) The reduction in air-related impacts

PRG attaches significance to the management of reducing greenhouse gas emissions. It is found that the business's activities which emit greenhouse gases the most are electricity consumption of machines during a production process and fuel consumption of forklifts. PRG then has measures to maintain the machines according to its preventive maintenance plan and sets electricity saving measures continuously. Also, the change to consume alternative energy by using solar cells for the lighting around buildings and garages for cars and motorcycles at night within 2022 is planned.

In 2020, PRG had the electricity consumption of 1,336,458 kilowatt-hours (kWh), calculated as the amount of greenhouse gas emissions of 749,452.94 kilograms of carbon dioxide equivalent (CO₂e) and the diesel consumption for forklifts of 27,315 litres, calculated as the amount of greenhouse gas emissions of 81,945 kilograms of carbon dioxide equivalent. The total amount of the greenhouse gas emissions was 831.40 tons of carbon dioxide equivalent per year. Compared with last year, it decreased by 75.77 tons of carbon dioxide equivalent per year or 9.11%.

2) The reduction in noise-related impacts

-None-

3) The reduction in waste-related impacts

PRG systematically operates the waste management from the business operations according to law related to industrial waste, provides a system of sorting out the efficient classification-based waste, and raises consciousness and participation of relevant parties in order to reduce normal waste. At the same time, recyclable waste will be collected in order to be delivered to legally registered recycling companies. In 2020, the Company had an amount of recyclable waste of 1,900 kilograms in total. Most recyclable waste was plastic and paper containers. Moreover, PRG assesses the quality of the environment within their offices and around their establishments at least once a year. In 2020, it was found that standard scores of the quality of air, dust particles emitted from chimneys, chemical vapour, and light, followed standards stipulated by law; and found no case of chemical leaks resulting from the business operations.

4) The reduction in water-related impacts

PRG improves the quality of water by using raw water from Lamtakong Dam to produce piped water by a sand filter system and chlorine disinfection. The quality of produced water reaches the standard set by Provincial Waterworks Authority. PRG uses raw water for the production of rice in plastic packaging as 62.10% of all used raw water. Also, PRG continuously has maintenance and monitors the production's process up to standards, has measures to reduce the consumption of water such as changing the flow rate of water discharged into basins and sanitary ware inside restrooms of factories, offices, and using mini sprinklers for watering trees. From the process of producing rice in plastic packaging, there is no wastewater resulting from the production's process. At the same time, 80% of all used water is specified to be efficiently treated by a wastewater management system through septic tanks and this amount of treated water can be reused in a sanitary system and utilities inside the buildings. In 2020, PRG had a total amount of used water of 5,024 cubic meters, a decrease in 4,204 cubic meters or 45.56% when compared with the previous year.

5) The reduction in other environmental impacts

-None-

The Financial Business

Products and Services

The Financial Business is operated by MBK's subsidiaries— MBK Guarantee Company Limited ("MBK-G"), T Leasing Company Limited ("TLS"), MBK Life Assurance Public Company Limited ("MBKL") and TM Broker Company Limited ("TMB"). It can be classified into:

1) General loans are operated by MBK Guarantee Co., Ltd. ("MBK-G") which its main business consists of a retail loan with collateral as a condominium (or a condominium loan) and a business loan with collateral as property (or asset finance)— which is in a good location, has potential for commercial development that complies with the MBK GROUP's performance, has liquidity, is on market demand— including a business loans with collateral as listed securities on the Stock Exchange of Thailand (SET) which have liquidity and good value investing.

2) The motorcycle hire purchase and others are operated by T Leasing Company Limited ("TLS"). Their main business is to give new motorcycle hire purchase— small bikes and big bikes— as well as after-sales services such as registration renewal, insurance to protect assets and prevent risk that may arise from using the assets bought under hire purchase agreements. Customers for small bikes are individuals living in service areas, have low-to-middle income, and use motorcycles to do business or as their mainly transportation or part in his occupation, while customers for big bikes are individuals having middle-to-high income, and using motorcycles in order to satisfy their own life style.

3) The Insurance Business is operated by MBK Life Assurance Public Company Limited ("MBKL") operates life insurance business by offering individual life insurance and group life insurance which serve as financial security as well as life and health protection coverage for individuals, institutions, and organizations through the Company's sales distribution channels consisting of direct sales by the Company's employees, brokers— both juristic persons and individuals— which are TM Broker Co., Ltd. ("TBM") and other brokers in the industry, an electronic channel, and other channels.

The personal life insurance products of MBKL include saving products, retirement annuity products and term products as it follows:

- **MBK Life 20/10M:** A policy coverage of 20 years with 10-year premium payments. Cash back is 3% of the initial sum insured at the end of policy year 1st-19th and 150% of the initial sum insured at the maturity of the policy year 20th. A total return is 207% of the initial sum insured.

- **MBK Smart Saving 10/2:** A policy coverage of 10 years with 2-year premium payments. Cash back is 5% of the initial sum insured at the end of policy year 1st-9th and 188% of the initial sum insured at the maturity of the policy year 10th. A total return is 233% of the initial sum insured.
- **MBK Smart Saving 10/3:** A policy coverage of 10 years with 3-year premium payments. Cash back is 6% of the initial sum insured at the end of the policy year 1st-5th, 7% of the initial sum insured at the end of the policy year 6th-9th, and 300% of the initial sum insured at the maturity of the policy year 10th. A total return is 358% of the initial sum insured.
- **MBK Smart Life 10/5:** A policy coverage of 10 years with 5-year premium payments. Cash back is 20% of the initial sum insured at the end of the policy year 1st-6th, 100% of the initial sum insured at the end of the policy year 7th-9th, and 150% of the initial sum insured at the maturity of the policy year 10th. A total return is 570% of the initial sum insured.
- **MBK Smart Sure 10/7:** A policy coverage of 10 years with 7-year premium payments. Cash back for 5% of the initial sum insured at the end of the year 1st-9th and 155% of the initial sum insured at the maturity of the policy year 10th. A total return is 200% of the initial sum insured.
- **MBK Smart Life 10/10:** A policy coverage of 10 years with 10-year premium payments. Life protection is 200% of the initial sum insured. In case of death because of an accident, 100% of the initial sum insured is added. At the maturity of the year 10th, all annually-paid premiums are paid back.
- **MBK Life 14/7:** A policy coverage of 14 years with 7-year premium payments. Cash back for 3% of the initial sum insured at the end of the policy year 1st-5th, 4% of the initial sum insured at the end of the policy year 6th-10th, 5% of the initial sum insured in the end of the policy year 11st-13rd, and 180% of the initial sum insured at the maturity of the policy year 14th. A total return is 230% of the initial sum insured.
- **MBK Easy Protection Life 15/10:** A policy coverage of 15 years with 10-year premium payments.
 - 300% life protection of the initial sum insured in year 1st-3rd and
 - 500% life protection of the initial sum insured in the policy year 4th-6th and
 - 700% life protection of the initial sum insured in the policy year 7th-9th and
 - 800% life protection of the initial sum insured in the policy year 10th-15th

At the maturity of the policy year 15th, a return of 730% of the initial sum insured is given. A total return of a policy is 730% of the initial sum insured.
- **MBK Easy Saving 15/10:** A policy coverage of 15 years with 10-year premium payments.
 - 100% life protection of the initial sum insured in year 1st and
 - 165% life protection of the initial sum insured in year 2nd and
 - 230% life protection of the initial sum insured in year 3rd and
 - 295% life protection of the initial sum insured in year 4th and
 - 360% life protection of the initial sum insured in year 5th and
 - 425% life protection of the initial sum insured in year 6th and
 - 490% life protection of the initial sum insured in year 7th and
 - 555% life protection of the initial sum insured in year 8th and
 - 620% life protection of the initial sum insured in year 9th and
 - 685% life protection of the initial sum insured in year 10th-15th

The return: At the end of the policy year 1st-4th, receive 10% of the initial sum insured. At the maturity of the policy year 15th, 570% of the initial sum insured is given. A total return is 710% of the initial sum insured.
- **MBK Easy Return 15/10:** A policy coverage of 15 years with 10 year premium payments.
 - 250% life protection of the initial sum insured in year 1st – 3rd and
 - 450% life protection of the initial sum insured in year 4th – 6th and

- 650% life protection of the initial sum insured in year 7th – 9th and
- 700% life protection of the initial sum insured in year 10th – 15th

The return: At the end of the policy year 5th, 50% of the initial sum insured is given. At the end of the policy year 10th, 50% of the initial sum insured is given. At the maturity of the policy year 15th, 610% of the initial sum insured is given. A total return is 710% of the initial sum insured.

- **MBK Happy Pension 85/1(Tax-deductible Annuities):** For an insured aged between 20 and 59. A 1-year premium is paid and retirement annuities are given when the insured's attained age is between 60 and 85 years. A total of maximum 26 payments of retirement annuities is given. A return is 520% of the initial sum insured in total.
- **MBK Happy Pension Gold 85/1 (Tax-deductible Annuities):** For an insured aged between 60 and 65. A 1-year premium is paid and annual retirement annuity is given from the end of the policy year 1st to the end of the policy year which the insured's attained age is 85 years. A total of maximum 25 payments of retirement annuities is given. A return in 500% of the initial sum insured in total.
- **MBK Term Life 5/5, 10/10, 15/15, 18/18:** A high coverage of life protection, compared with premiums of other life insurance products. Terms of protection and premiums suitable for the insured's need can be selected. (5 years/ 10 years/ 15 years/ or 18 years). Its life protection is 100% of the sum insured for the protection's whole period.

Personal accident (PA) insurance products include the coverage in cases of death, permanent disability and injuries from accident 24 hours a day. The accidents cover both from car and motorcycle with highest claim of 365 days. Individual and family insurances are possible for people in the range of 1 – 65 years of age.

MBKL has group life insurance products include life insurance, accident insurance, and health insurance protection. The insurance covers both during and outside of work hours. The policy does not require health check – up and is the same price for all genders and all ages.

Mortgage Reducing Term Assurance (MRTA) is a product that insures an individual for the credit liability in term payments in the case which unexpected event occurs to the debtor, such as, death or permanent disability. The insured amount decreases at each term payment whether equally or in proportion of each term payment at a rate of a compound interest rate.

4) The Insurance Broker Business and Life Insurance Business are run by TM Broker Company Limited (“TMB”). It operates as a non-life insurance and life insurance broker by giving advice or offering products of the non-life insurance company and the life insurance company to customer groups of the MBK GROUP and the general public, including other business related to the life and non-life business such as providing training for brokers, employees and the general public. The products are classified into:



1. The Life Insurance Products

1.1 The Individual Life Insurance Product

It is whole life protection. If the insured passes away during the time when his/her policy is still effective, the life insurance company will pay sum insured to his/her beneficiaries. The primary purposes of this life insurance product are to provide funds for his/her dependant(s) when the insured passes away, or last medical treatments and funeral expenses, or not causing anyone else to bear the burden. TMB is a broker and its partners are life insurance companies. Each partner's remarkableness is its various products which increase alternatives for both agents and brokers.

1.2 The Group Life Insurance Product

TMB offers both life protection and health care protection products, with the protection during working hours and outside working hours. The protection is given with non-medical check-ups before doing insurance, and the same premium rate for all genders and all ages.

1.3 The Mortgage Reducing Term Assurance (MRTA)

It is an individual assurance product to protect a loan and cover mortgage in case of unexpected events encountered by the assured, covering the death or total permanent disability (TPD) by the sum assured with reducing terms. The terms may be reduced to installments with equal amount of money paid or reducing installments with a compound interest rate.

2. The Non-Life Insurance Products

2.1 Motor Insurance (or Auto Insurance)

- Compulsory motor insurance (Motor Vehicle Road Accident Victims Protection Act B.E. 1992)
- Voluntary motor insurance

2.2 Property Insurance

- Industrial All Risks Insurance
- Business Interruption Insurance
- Leasehold Insurance
- Terrorism Insurance
- Jeweller's Block Insurance

2.3 Liability Insurance

- Third Party Liability Insurance
- Products Liability Insurance
- Recall of Products Insurance
- Contaminated Products Insurance
- Employer's Liability Insurance

2.4 Engineering Insurance

- Contractor's All Risks Insurance
- Erection All Risk Insurance
- Machinery Breakdown Insurance
- Loss of Income Insurance
- Boiler Insurance



- Contractor's Plant and Machinery Insurance
- Electronic Equipment Insurance

2.5 Cargo Insurance

- Marine Cargo Insurance
- Inland Transit Insurance
- Hull Insurance
- Delay-in-Start Up Insurance

2.6 Professional and Financial Insurance

- Professional Indemnity Insurance
- Management Liability Insurance (or Executive Liability Insurance)
- Commercial Credit Insurance

3. Training and Seminar-related Products

It provides services of the coordination and management of training courses and seminars in order to take examinations for a life/non-life insurance broker licenses in accordance to regulations of Office of Insurance Commission (OIC), as well as carrying out the mentioned services-related process such as services of keeping a record of brokers' registration archives, notifying brokers of their expiring licenses, coordinating renewals of licenses, and providing knowledge about other aspects for the personnel of companies in the Financial Business as well as business partners, employees of the business partners' companies, and the general public who are interested in being the insurance brokers.

The Major Changes and Developments in the Past Year

-None-

The Marketing and Competitive Situation

1 The marketing situation of the Financial Business

The competition in the financial system for MBK-G is not only among commercial banks but also non-banks. The competition has become more intense in line with the increasing credit demands. The company has made efforts to differentiate its services, aiming at catering to the needs of certain groups of customers that commercial banks cannot cover such as foreigners with high income and purchasing power. They want to buy properties for investment. Other customers also include entrepreneurs who are in need of quick bridging loans to expand their business or continue its operations. The Company sets prices that not only generate a good return but are also competitive in the market.

In regard to the competition in hire purchase of motorcycles, this business remains highly competitive. TLS needs to develop its products and services continuously in order to increase coverage areas of customer services, as well as improving the fastness of credit approval in order to keep up with today's competition.

Moreover, in the Life Insurance Business and the Broker Business of Non-life and Life Insurance, nowadays, there are several competitors. However, market opportunities of such business can be expanded continuously. This business has attracted the interest of customers because its products can respond to the customers' needs of risk management, investment, and full coverage for what they want because of a variety of products and the products themselves can be compared with other insurance companies' products.

2 The competition in the Financial Business's industry outlook and competitive situation in the future

According to the epidemic outbreak of Corona Virus (COVID-19) which has affected various countries worldwide and has had an impact on the economy in wide areas, including Thailand. This makes a tendency for the industry of motorcycle hire purchase to be expected to decline following the domestic economic situations. In 2020, approximately 1.6 million motorcycles were domestically registered, a decrease in approximately 10% compared with 2019. The growth rates of both small motorcycles and big motorcycles (or big bikes) decreased, compared with 2019.

However, the competition in the motorcycle hire purchase business is quite high. 7-8 major creditors have more than 80% of the market share. The creditors will compete in the fast credit approval, convenience, can provide services thoroughly, and provide the after-sale service which encourage customers' convenience and satisfaction for the sake of market share.

TLS's strength is fast loan approval and TLS aims to develop the existing online credit approval system continuously. TLS employs technology to support customers in other services in order to provide them with convenience and response to the various needs of the customers. Also, TLS has a plan to develop new credit products— apart from motorcycle hire purchase— in order to satisfy various needs of both existing customers and prospect customers who will receive TLS's services in the future.

In regard to the business loans with properties as securities, MBK-G develops a procedure and process of fast credit approval with regard to customers' needs as their main priority and increase the flexibility in designing appropriate credit limits and credit conditions to meet customers' needs more in order that the Company can compete in the business and maintain the Company's customer base through providing services with understanding and care.

For the whole picture of the competition in business, new competitors begin to increase in the market because this business makes a good profit and has a tendency to grow. MBK-G sets a goal to maintain its existing customer base, make these customers receive the services again, recommend other people to receive the services, offer more credit through expanding its customer base of foreign customers who want to invest in assets in Thailand such as condominiums through the channels of real estate operators, agents and real estate agents. As for short term credit, the strategy is to give credit with valuable and marketable properties as securities. However, financial institutes cannot give credit to every customer and this is considered as a limitation.

For the Life Insurance Business, the Office of Insurance Commission (OIC) sets a policy on its operations' direction to conform to action plans for national reforms and national strategy, by developing new insurance products such as an insurance product in order to support the ageing society, a micro insurance product, health care and personal accident (PA) insurance products which support the public policy, and a personal accident insurance product for tourists. Moreover, OIC focuses on proactive operations to encourage technological insurance innovations which build on existing innovations— in order to strengthen the insurance industry and promote the insurance's technological innovations seriously and continuously so that these innovations can be in concrete terms, together with the operations under Insurance Development Plan Vol.3 (2016-2020). Overall, the Insurance Business is expanding continuously. This is a good opportunity for the Insurance Business to offer various insurance products.

For its marketing strategy, MBKL focuses on marketing activities for individual customers which main customers are the ones who have middle-upper income. Therefore, offered products are endowment products and retirement annuity products. For hire purchase customers, credit life insurance products are focused on. The products and their coverage are offered in order to meet the customers' needs, build relationships with, and offer good services to them.

For its corporate customers, the main target group is leading companies, savings and credit cooperatives, and other juristic persons. Group life insurance products are focused on— both with and without riders— according to customers' needs through offering corporate companies' employee benefits and their other needs.

TMB has a plan to maintain its existing customer base and expand other insurance approaches by forming alliances with several business partners in order to provide customers and individual brokers with options which are consistent with needs and risks through mainly responding to the customers' needs. Moreover, training and development have been provided for the brokers continuously in order to increase knowledge, understanding of insurance products, as well as developing skills and expertise in insurance theories and services in order to give consultation and offer services of good quality to the customers.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

Apart from other companies in the Financial Business, TM Broker Co., Ltd. has got products for distribution from the selection of the products and business partners by sticking to principles of consideration as follows:

- 1.1 To rank credit ratings of insurance companies
 - Financial (Percentile Methods): CAR Ratio, Liquidity Ratio, Combined Ratio
 - Management (Performance Score): Policy Experience, Payment Experience, Claims, Market Share
- 1.2 To group insurance companies by considering expertise in each product
- 1.3 To draw up a risk assessment test on property
- 1.4 To draw up the Underwriting Guidelines

2 The process of reducing environmental impacts

- 1) The reduction in air-related impacts
 - None -
- 2) The reduction in noise-related impacts 2
 - None -
- 3) The reduction in waste-related impacts
 - None -
- 4) The reduction in water-related impacts
 - None -
- 5) The reduction in other environmental impacts
 - None -

The Other Business

The Other Business is run by Apple Auto Auction (Thailand) Company Limited ("AAA") which operates the business of auction, retention, and transport vehicles by employing the standards of assessment and checking the vehicle's conditions from Japan, and MBK Trading Company Limited ("MBK-TD") which imports and trades in equipment.

The Used-Car Auction Business

Apple Auto Auction (Thailand) Company Limited ("AAA") runs the used-car and used-motorcycle auction from different parties such as financial institutions, insurance companies, car rental companies, second hand car dealers and car users. AAA's revenue comes from commission from participants that place their cars into auction and operation fees from buyers which are charged at the rate specified in the contract. In 2020, more than 75,000 cars were placed into auction. In addition to car auction, AAA has placed the motorcycle auction into the auction business since June 2010, both in Bangkok and other provinces. At present, AAA has implemented the country's most modern online auction program which can be used through computers and mobile phones with a mobile application. The program provides the video and the audio in real time from the auction places so that the users

feel like being there in the auction places. The stock and product management system is also developed so that sellers can manage the product data faster and more accurately that time and cost is saved through the AAA's system.

AAA aims to become the country's leading auction company which follows the Company's set strategies by developing the organization in various aspects in order to accomplish the established goal.

The business regarding importing, buying, and selling equipment and tools

MBK Trading Company Limited ("MBK-TD"). It started officially operating in 2017. Its objective is to provide services of importing, buying, and selling equipment and tools. They focus on providing services within MBK GROUP in order that delivered products have good quality and reasonable prices mainly.

Products and Services

- **Apple Auto Auction (Thailand) Company Limited ("AAA")** is an agent to put vehicles in auction which the Company obtains the cars or motorcycles from the sellers to test their vehicles, compile the profiling of the vehicles and store them in garages. When receiving an order from an auctioneer, the vehicle will be placed into auction and the auctioneer may announce prices to start the auction. When a bidder wins a bid, the auctioneer will collect money and deliver it to the seller on schedule and act as a coordinator in delivering and alienating the vehicle. AAA will earn an operational fee from the buyer and seller as specified in the contract.

- **MBK Trading Company Limited ("MBK-TD")** operates services business by supporting customer needs and providing services— from designing, collecting and selecting a list of names with potential, to checking sources of production— in order to run processes involving import and customs, as well as delivering and installing products, and providing after-sale services for customers.

The Major Changes and Developments in the Past Year

The second-hand car and motorcycle auction business

AAA Parking spaces were increased in provinces in order support an increasing number of cars confiscated by sellers of the Finance Group. Nowadays, the parking spaces cover 23 provinces nationwide and in 2021, there is a plan to increase more parking spaces in 2 more provinces which will make AAA to have more parking spaces in 25 provinces in total.

In 2020, two more auction places— South and Northeast— were added, while in 2021, the auction places in two provinces will be increased.

For the technology aspect, in 2020, AAA continuously improved and developed these systems in order to increase the competitiveness as follows:

1. The Apple Auto Trade System- To be a medium for buy and sell cars. It is another channel to provide complete services for both sellers and buyers.
2. The Apple e-Bidding System- To be an auction channel to provide convenience for buyers and sellers so that they can have auction for cars and/or other products anywhere and anytime.

The business of importing, buying, and selling equipment and tools

In 2020, MBK-TD imported furniture, room accessories and exercise equipment for affiliated hotels for the use in room renovation and facility improvement projects.

The Marketing and Competitive Situation

The second-hand car and motorcycle auction business

The competition in the car auction business is quite fierce due to the fact that there are only 2-3 main dealers that give hire purchase and place a lot of cars into auction. Meanwhile, there are several auction companies in Thailand and only 2-3 auction companies that are well-known and gain trust from the sellers. AAA has invented and developed the new and efficient operating system continuously in order to provide convenience and use it as a strategy to attract both sellers and buyers to use this system.

The business of importing, buying, and selling equipment and tools

The main business of MBK-TD focuses on providing services for companies within MBK GROUP mainly. For consideration about products and services, prices and bets quality products are taken into consideration. The control over related operating costs is important. Other factors are also taken into consideration such as exchange rates of Thai Baht compared with exchange currencies used for payments in each period of time, and hiring agents to manage customs processes and to deliver and install products, at maximum efficiency.

The Procurement of Products or Services

1 The nature of the procurement of products to be distributed

-None-

2 The process of reducing environmental impacts

1) The reduction in air-related impacts

- None -

2) The reduction in noise-related impacts

- None -

3) The reduction in waste-related impacts

To participate in a campaign for garbage classification

4) The reduction in water-related impacts

To be part of dredging mud or sand from canals in order to help reduce the risk of floods for neighboring communities.

5) The reduction in other environmental impacts

To employ the Information Technology System for applications in order to reduce the use of paper at work.



Corporate Supporting Center

Products and Services

Apart from the 7 main businesses, the Company runs the Corporate Supporting Center that serves as the consulting and business support unit for the Group's main business operations. With employees of various types of business expertise and experience, the Corporate Supporting Center provides support through companies as follows:

- **MBK Training Center Company Limited ("MBK-TC")**

It officially started operating in 2011 with its objectives to provide consultation on human resource development planning as well as training and seminar in order to prepare personnel for the expansion of the MBK GROUP's business.

- **MBK Club Company Limited ("MBK-CB")**

It officially started operating in 2015, with its objective to provide services of managing privileges for member card holders of companies under the MBK GROUP.

- **MBK Contact Center Company Limited ("MBK-CC")**

It officially started operating in 2019, with its objectives to provide services of giving information, receiving notification of problems about public utility, receiving complaints or suggestions for service-aimed facilities, and taking reservations for products or services.

The Major Changes and Developments in the Past Year

- None -

The Marketing and Competitive Situation

Due to its nature, the Corporate Supporting Center emphasizes providing services in internal management of the organization in transfer pricing and reflecting the actual costs of business operations. Thus, no comparison of the competition condition is made and there is no industry to reference the business operation capability of the Corporate Supporting Center.

The Procurement of Products or Services.

1 The nature of the procurement of products to be distributed

- None -

2 The process of reducing environmental impacts

As the nature of the business emphasizes providing services in organization management and expertise in the professions, therefore, none of the evaluated project has environmental impacts.

1) The reduction in air-related impacts

-None-

2) The reduction in noise-related impacts

-None-



3) The reduction in waste-related impacts

-None-

4) The reduction in water-related impacts

-None-

5) The reduction in other environmental impacts

The Corporate Supporting Center realizes the resource consumption efficiently and has continuously reduced the paper consumption in the long term through utilizing the Information Technology system as follows:

- Digitization is the conversion of paper-based data or hard copies into digital forms.
- Digitalization is the conversion of digital forms or digitized data into the optimization of work processes through digital technologies, leading to huge paper consumption.

The Undelivered Products or Services

The Shopping Center Business, the Hotel and Tourism Business, the Golf Business, the Food Solution Business, the Financial Business, Other Business and the Corporate Supporting Center have no undelivered products or services.

For the Real Estate Business, some jobs are undelivered, which are as follows:

As of 31st December 2020, Subsidiaries had obligations to deliver products to buyers of houses and condominiums as specified in the sale contract. The obligations were separated into each project, as follows:

No.	Name of Project	Location	House to be delivered	
			No. of Unit (Unit)	Sales value (Million Baht)
1	Quinn Sukhumvit 101 Condo Project*	Sukhumvit Rd., Bangkok	63	437.57
2	The Riverdale Residence Project**	Bangkadee, Pathum Thani	4	272.04
Total			67	709.61

Remarks * The project of Subsidiary (MBK Sukhumvit Company Limited)

** The project of Subsidiary (Riverdale Golf and Country Club Company Limited)

DIVISION POLICY IN MBK GROUP

MBK GROUP consists of 8 main businesses as follows:

- 1. Shopping Center Business**
 - operated by MBK and MBK's subsidiaries:
The Nine Center Company Limited ("TNC")
Paradise Park Company Limited ("PDP")
Paradise Place Suanluang Company Limited ("PDPL")
Glas Haus Building Company Limited ("GHB")
Glas Haus Ratchada Company Limited ("GHR") etc.
- 2. Hotel and Tourism Business**
 - operated by MBK's subsidiaries:
MBK Hotel and Tourism Company Limited ("MBK-HT")
MBK Hotel and Resort Company Limited ("MBK-HR")
MBK Business Company Limited ("MBK-BUS")
Subsin Thani Company Limited ("SSTN")
Lanta Land Development Company Limited ("LLD")
Absolute Travel Company Limited ("ALT") etc.
- 3. Golf Business**
 - operated by MBK's subsidiaries:
MBK Resort Public Company Limited ("MBK-R")
Riverdale Golf and Country Club Company Limited ("RDGCC")
MBK Enterprise Company Limited ("MBK-EP") etc.
- 4. Real Estate Business**
 - operated by MBK's subsidiaries:
MBK Real Estate Company Limited ("MBK-RE")
Plan Estate Company Limited ("PST")
Plan Appraisal Company Limited ("PAS")
Crystal Lake Properties Company Limited ("CLP") etc.
- 5. Food Solution Business**
 - operated by MBK's subsidiaries:
Patum Rice Mill and Granary Public Company Limited ("PRG")
and PRG's subsidiaries:
PRG Properties Company Limited ("PRG-P")
Ratchasima Rice Company Limited ("RR")
Sima Pac Company Limited ("SMP")
MBK Food Island Company Limited ("MBK-FI") etc.
- 6. Financial Business**
 - operated by MBK's subsidiaries:
MBK Guarantee Company Limited ("MBK-G")
T Leasing Company Limited ("TLS") etc.
- 7. Other Business**
 - operated by MBK's subsidiaries:
Apple Auto Auction (Thailand) Company Limited ("AAA")
MBK Trading Company Limited ("MBK-TD") etc.
- 8. Corporate Supporting Center**
 - operated by MBK's subsidiaries:
MBK Training Center Company Limited ("MBK-TC")
MBK Club Company Limited ("MBK-CB")
MBK Contact Center Company Limited ("MBK-CC") etc.

All eight business divisions of MBK GROUP have a clear business operation policy and management that each company needs to conduct and be responsible for.

Revenue structure by financial statement of MBK Public Company Limited and its subsidiaries

(Unit : Thousand Baht)

Product/Service	Type of business	Operated by	For the years ended 31 December					
			2018		2019		2020	
			Revenue	%	Revenue	%	Revenue	%
1. Revenue from service and rental	- Shopping center and property for lease	MBK Public Company Limited Paradise Park Company Limited The Nine Center Company Limited Glas Haus Ratchada Company Limited Paradise Place Suanluang Company Limited MBK Resort Public Company Limited Riverdale Golf and Country Club Company Limited, and MBK Enterprise Company Limited	4,476,855	35.26	4,434,746	36.20	3,208,413	34.74
	- Golf							
2. Sales	- Processing and packaging rice	Patum Rice Mill and Granary Public Company Limited PRG Properties Company Limited Ratchasima Rice Company Limited Sima Pac Company Limited, and Innofood (Thailand) Company Limited MBK Resort Public Company Limited Plan Estate Company Limited MBK Realty Company Limited Glas Haus Ratchada Company Limited, Riverdale Golf and Country Club Company Limited and MBK Sukhumvit Company Limited MBK Food and Entertainment Company Limited MBK Food Island Company Limited MBK Food System Company Limited, and MBK Restaurant Group Company Limited	2,580,657	20.32	2,282,550	18.63	2,471,893	26.77
	- Property development							
	- Food center and restaurant							
3. Revenue from hotel operations	- Hotel	MBK Public Company Limited MBK Hotels and Resorts Company Limited Supsinthanee Company Limited Lanta Land Development Company Limited MBK Resort Public Company Limited Absolute Travel Company Limited, and The Olympic Fitness Club Company Limited	1,373,184	10.81	1,303,616	10.64	469,753	5.09
4. Revenue from financial business	- Lending and debt guarantee business - Motorcycle hire purchase	MBK Guarantee Company Limited, and T Leasing Company Limited	2,116,997	16.67	2,265,708	18.50	2,485,531	26.92
5. Other revenues	- Interest income - Dividend income - Gain on sale of investments - Gain on sale of assets - Share of profit from investments in associates and joint venture	MBK Public Company Limited and its subsidiaries	2,150,711	16.94	1,963,062	16.03	598,793	6.48
Total revenues			12,698,404	100.00	12,249,682	100.00	9,234,383	100.00

RISK FACTORS

1. The Risk Factors of the Shopping Center Business

A problem of the world's sluggish economy, including Thailand's economy, in 2020 because of the epidemic outbreak of Corona Virus Disease (COVID-19) caused every country around the world to take lockdown measures. This had an impact on both domestic and international business in wide circles, particularly the tourism and services industry which was severely affected in the first half of 2020. This impacted on a slowdown in Thailand's economy causing a chain of impacts on the export sector, the investment sector, and the retail sector.

For the retail sector, it has encountered a challenging situation because of several factors forcing the growth of the retail business down afterwards, particularly

consumer purchasing behavior which has been continuously weak, although the public sector has had measures to stimulate the purchasing power at certain level. Also, it is doubtful whether the Corona Virus Disease (COVID-19) will disperse again. Consumers still worry about this situation and possibly spend money on something necessary. Therefore, retail entrepreneurs have to hasten to build confidence in hygiene and safety of health, together with organizing marketing events, particularly price-concerned events in order to stimulate consumers' spending continuously.

The MBK Center

- **The Risk from the Economic Situation and Increasing Competition**

The impact of the epidemic outbreak of Corona Virus Disease (COVID-19), MBK Center has set its marketing strategy and adapted its strategy to the situation. MBK Center has had measures to help tenants, developed and used technology in order to cope with changes in the New Normal Era which attracts interest of consumers such as more concern about consumers' health, wearing hygiene masks, measuring the body's temperature, social distancing, and the digital life which is already part of everybody's life, in order to boost Thai consumers' confidence. It is still the tourist destination when the situation of the epidemic outbreak of Corona Virus Disease (COVID-19) is relieved.



MBK Center has attached importance to listening to customers' voices through channels— such as an after-service survey, social media such as websites, Facebook, Line@, and Twitter, Contact Center and QR Code— in order to express opinions. Also, MBK Center outsourced gathering information from news websites and web boards such as Pantip and MThai, conducting research on behavior of the needs, and carrying out a survey of satisfaction by comparison with its competitors. These allow MBK Center to immediately follow up the customers' opinions. Then, the voice of the customers is employed for providing new services designed and developed by MBK Center such as a Free Wi-fi Service, and Free Mobile Chargers inside the Shopping Center, the renovation of resting areas inside and outside the building, the development of the Parking Sensor Guidance System, the Muslim Prayer Room, emphasis on activities and events which more satisfy the need of Thai consumers, particularly students, such as Mini concerts, Fan meeting events with idols, and increasing more activities to support tenants in the educational zone for the sake of students' skill reinforcement as well as building strengths and encouraging MBK Center's potential for this target group. The decoration inside MBK Center presents a contemporary Thai style in order to create thrilling experiences for service users inside the shopping center. Moreover, voices of the customers are listened to for the sake of the renovation of rental areas, the selection of products and services which harmonize with the needs of service users in each group, covering both Thai and foreign service users so that they have impressive experiences and want to come back to have services again.

• The Risk from Changes of Technology

The situation of the epidemic outbreak of Corona Virus Disease (COVID-19) has made people become more aware of a lifestyle of social distancing. They have to be open to digital technology which will facilitate the convenience of working or communicating with each other, although they have to adapt themselves to the use such as learning the use of systems for online meetings, digital payment, and online streaming (watching online movies). This helps consumers be familiar with and open to digital technology more and leads to the change of behavior which encourages people to be in the digital society faster than previously expected.

MBK Center has adapted in order to support changes in the Digital Disruption Era by having invested in and developed technological devices in several projects continuously such as the Customer Database System & Loyalty Program and the Smart Parking Smart Sale Kit System. In 2020, MBK Center focused on Digital Marketing as the medium of communicating information and marketing events to reach target groups of service consumers through social media channels— such as MBK Center's Facebook, Instagram, Twitter, Youtube, Instagram — which up-to-date information, promotion campaigns, and activities were updated. Also, interesting content was created in order to stimulate advertisements by word of mouth through social media channels and

attract the service users from online target groups to come to use services at MBK Center. The Company adapted itself to align with the consumer behavior through the Omni Channel which increased a channel of providing a wider variety of services by opening MBK Center's online channel to sell products through Lazada in order to encourage the convenience of buying products from stores inside MBK Center and broaden customers' buying experience gained from seamlessly online and offline channels, for example.

Moreover, the development of important technologies consisted of the Artificial Intelligence (AI)— which is used for counting a number of service users through the real time analysis of customer groups—and the Loyalty Program through the MBK Application— which is used for collecting points in order that the customers have a feeling of worthiness of good value for every purchase, and can enjoy offered information, promotions, marketing events, discounts, and privileges. These important technologies are used to collect data for a customer base. The data are used to conduct marketing campaigns for specific target groups and build relationships and engagement between the customers and every business of the MBK GROUP. Today, a number of people who have already downloaded the application are more than 120,000 downloaders. For operations in 2021, the MBK Application is planned for the development of new functions so that the application is easy to use, simple, and responds to lifestyles and needs of specific target groups by allowing points gained in MBK Application to be redeemed for a discount on parking fees. Also, there is cooperation with store partners and leading brands for conducting promotion campaigns giving privileges which satisfy the customers' needs more.

The Paradise Park Shopping Center and the Paradise Place Building

• The Risk from the Economic Situation

The impact resulted from the epidemic outbreak of Corona Virus Disease (COVID-19) has reduced incomes and fallen short of a target of the Paradise Park and the Paradise Place Building. A strategy has been set in order to cope with the situation by using plans for advertisements, public relations, and marketing events, in order to align with the public sector's measures and boost confidence of the customers who come to use services inside the shopping centers. The marketing plans focusing on attracting a target group of people who take care of their health are made. It is expected that they will help encourage a number of services users and increase spending for products.

• The Risk from the Construction of the Yellow Monorail Line

There is the construction of the yellow monorail line by Mass Rapid Transit Authority of Thailand (MRTA) with a straddle monorail system. This yellow line is an elevated mass rapid transit line. This 30.4-kilometer-long line will have 23 stations in total. The construction's period for completion is 39-month-long (starting from June, 2018) and is expected to have available services lately in 2021. This construction has caused lanes to be closed. Therefore, the traffic all along Srinakarin Road is jammed, leading to a decrease in a number of customers who has come to the shopping center.

The Paradise Place Building has a policy to build a connection link between the sky train station and the building in order to add marketing's value to the areas inside the building and increase a number of services users of the Paradise Park Shopping Center and the Paradise Place Building in the future.

However, the Paradise Park Shopping Center has adapted its marketing strategy by carrying out advertisements, public relations, marketing events, and promotions. Areas were renovated to be more appropriate and chic by adding new interesting stores and increasing a variety of products and facilities, improving atmosphere inside and outside the Paradise Park Shopping Center so that it shows its beauty and its suitability for spending. All are with the aim of responding to customers' needs and satisfaction in the long term, together with maintaining an existing customer base and expanding a new customer base.

The Nine Center

The economy in 2020 resulted from the epidemic outbreak of Corona Virus Disease (COVID-19) caused consumers to worry and spend for something necessary. Therefore, the Nine Center had to boost the confidence in hygiene and safety for the health, together with supervising stores to strictly follow the preventive measures stipulated by the public sector. Also, marketing promotion events were organized by providing farmers, entrepreneurs, and freelancers with areas for selling products so that they could have the opportunity to sell their products and generate incomes. Ordinary people could have more options for buy good quality products with reasonable price so that the impact was relieved and consumers' spending was stimulated continuously. Digital marketing was used in order to present data, information, and marketing and store promotion events, through social media such as Facebook, Instagram, Twitter, Line Official of the Nine Center as well. The Loyalty Program was offered through the form of MBK Application— a program to accumulate points in order to make customers feel worthy of every Baht they spent.

Moreover, the Nine Center co-operated with medical centers in order to screen anyone infected with this mentioned virus for its services users and people living around the Nine Center Rama IX, free of charge. Also, the Nine Center co-operated with the public sector to provide training in sewing hygiene masks for stores and ordinary people who were interested in.

Glas Haus Building Company Limited

Because in 2020, the rental right of the Glas Haus Building was terminated on August 28th, 2020. The rental agreement on renting out all spaces for subtenants inside the Glas Haus Building was also terminated. The Company will recognize revenues for the half year only. Therefore, it mainly focuses on forging alliances in order to be able to attract customers to other offices within the Group.

Glas Haus Ratchada Company Limited

The risk factor of space rental business of the Glas Haus Ratchada Building in 2020 did not have an impact on space rental inside the Glas Haus Ratchada Building. The 7,509 square meter space of office for rent was still fully occupied at 100% because the building's major tenant was Thanachart Bank Public Co.,Ltd.

Because the Glas Haus Ratchada Building has only one major tenant, if it cancels the use of its rental area, it will significantly have an effect. However, a tendency towards office-for-rent business on Ratchada Road will be rather high in the future because of the expansion of real estate and easy access to such area by MRT public transportation, together with the Glas Haus Ratchada Building's strategic plan to change stores and services in some spaces of the Retail Glas Haus Project in order to meet the need of current tenants and provide facilities such as a two-floor car parking building which satisfies the tenants continuously. All these are key factors which make the tenants to extend the lease agreement with the Glas Haus Ratchada Building.

2. The Risk Factors of the Hotel and Tourism Business

In 2020, it was the year which the Hotel and Tourism Business was severely affected by the epidemic outbreak of Corona Virus Disease (COVID-19) which was the crisis having an impact in wide circles worldwide, together with uncertainties about such a situation. The public sector had measures to control and limit international travels in order to control the epidemic of Corona Virus Disease (COVID-19) and this led to a number of tourists coming to Thailand in 2020 hugely decreased, when compared with a number of tourists in 2019.

At the same time, the public sector stimulated and supported the domestic tourism in Thailand such as "We Travel Together" campaign which focused on Thai customers for more domestic travels. However, a recovery from the domestic tourism was uneven distribution which could not support the business sector in reaching the breakeven point. The public sector then had remedial measures for both entrepreneurs and employees such as compensation given to employees who were affected by unexpected events (of force majeure) from the epidemic outbreak of Corona Virus Disease (COVID-19).

The Hotel and Tourism Business has to adapt itself to have flexibility for business operations by focusing on offering services which satisfy the need of domestic guests and controlling expenses efficiently as follows:

1. To provide a long stay service in order to generate constant incomes.
2. To conduct marketing through organizing interesting events in order to attract guests' interest such as sports events, food events, or other life style-related events.
3. Measures to control and prevent the epidemic outbreak of Corona Virus Disease (COVID-19) through social distancing according to the regulations of the public sector in order to boost confidence of guests.
4. To reduce guest rooms' price and have value-added offers for guests.
5. To participate in the public sector's campaigns such as "We Travel Together" campaign which received warm welcome. The Hotel is also certified for hygiene

standards or Amazing Thailand Safety and Health Administration (SHA).

6. To change the customer base to the market of Thai tourists by adjusting offered services which are more favored by Thai people.
7. To promote sales of "Resort Credit".
8. To offer special price for employees of MBK GROUP.
9. To implement a policy on the salary and welfare cuts according to situations.
10. To perform the job rotation both inside and outside the Business Group in order to use resources more efficiently.
11. To review to partly cease operations of the business.

3. The Risk Factors of the Golf Business

Most of the risks affecting the operation of the golf business stem from external factors which are unavoidable. These risks include:

• The Risk from the Epidemic Outbreak of Corona Virus Disease (COVID-19)

The Loch Palm Golf Course (LPGC) and the Red Mountain Golf Course (RMGC) are located in Krathu District, Phuket Province. Their main customers are foreign tourists. When the epidemic outbreak of Corona Virus Disease (COVID-19) has occurred, foreign tourists cannot come to Thailand. Therefore, domestic golfers are the main market, affecting a decrease in incomes from using services of golf courses. However, in order to reduce such an impact, the Golf Business has organized sales promotion events in order to increase a number of golfers as follows:

- Special green fee rates are offered to short-term and long-term members, including golfers in the country. It also has the cooperation with the Tourism Authority of Thailand (TAT) to attract more Thai golfers, both in Phuket itself and from other provinces, to use the golf courses of the Golf Business more.
 - To organize direct sales promotion events through websites and conduct public relations on social media in order to attract the domestic golfers to use services through direct contact with the golf courses.
 - To organize golf competitions and tournaments in the form of the New Normal for ordinary golfers and local golfers in order to use the golf course services more.
 - Special promotions for MBK Golf Card holders.
 - Golfers can book Tee-Time through the booking online, together with special price promotions.
 - Add more distribution channels through more distributors.
- **The Risk from Natural Disasters**
- In 2020, there were no severe natural disasters that affected service providing. In Phuket, many areas were flooded for a short time in the rainy season because water drainage to the sea was inefficient. Floods did not inundate the areas for a long time so that they became obstacles to travel and service providing.
- **The Risk from the Global Economy**
- Because of problems of the sluggish global economy, the situation of the epidemic outbreak of Corona Virus Disease (COVID-19), and other factors, it has an effect on the tourism business, including the Golf Business because the main target group of customers of the golf courses located in Phuket is tourists from European countries, Asia, and Australia. They are business people with purchasing power who come to travel and play golf in Thailand, both in Bangkok and Phuket. When this target group cannot have international travels, it has a negative effect on an expansion rate of the Golf Business. From such situations, the golf courses have turned to adapt themselves to focus on local golfers instead with the employment of price strategy for them.

4. The Risk Factors of the Real Estate Business

• The Risk from the Related Law Amendments

The operations of the Real Estate Business have risks from improvement, amendments, and addition of laws and regulations related to the Real Estate Business - changing rules of land allocation according to Land Allocation Act, urban planning, expropriation boundaries, improvement in a public transportation system, or laws related to environment conservation, for example. All these are factors beyond the control of the Real Estate Business.

However, to decrease such risks, the Real Estate Business has carefully checked real estate-related restrictions prior to make a decision on investment as well as closely followed situations and moves for any issue all the time with the aim of preparation for residential development in conformity with such changes. Moreover, the Real Estate Development Business sets a policy on completing permission requesting before launching a project for sale - providing a report of Environmental Impact Assessment (EIA) and requesting for permission of construction, for example - in order to boost customers' confidence that a project can be definitely developed.

Although the epidemic outbreak of Corona Virus Disease (COVID-19) has an impact on the Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC) located in Pathum Thani, these two golf clubs are less affected than the golf courses in Phuket. Main customers are local golfers in Bangkok and surrounding areas. Nonetheless, the Riverdale Golf Club (RDGC) and Bangkok Golf Club (BKGC) initiate following sales promotion events in order to increase a number of golfers as follows:

- Organization of golf competitions or tournaments for golfers during the low season.
- A special promotion for afternoon as a package, including a green fee, a caddy, and an electric golf cart for BKGC.

• The Risk from Fluctuation in Construction Material Prices and Project Development Costs

To efficiently reduce and control the risk from the fluctuation, the Real Estate Business aims to purchase some materials directly from the producers through bidding so that there can be a comparison of material quality and market price. The most appropriate price will be selected and fixed prior to the delivery of materials to prevent increasing price risk. Contractor selection is proceeded through bidding and signed under the turnkey construction contract so that the construction costs can be contained within the budget. Also, the Real Estate Business employs technology — Building Information Modeling— in order to manage and control the construction so that the project's cost management, construction costs, and construction control costs are more efficient.

Moreover, the Real Estate Business has a committee which is set up to closely follow paces of housing development and condominium markets in order to follow an economic tendency closely, consider the quality of construction materials which are used appropriately and proved their worth in order that customers feel satisfied with the products.

• The Risk from a Shortage of Skilled Workers and Quality Contractors

A shortage of skilled workers and quality contractors causes unfinished projects as already planned or may affect the work quality and possibly increases operational costs. However, the Real Estate Business has measures to reduce such risks as follows;

- To use more technologies and instant construction materials as substitutes for skilled construction workers in order to decrease reliance on workers, finding new construction technologies within the country and abroad regularly in order to determine suitability and application to construction.
- The Real Estate Business still underlines significance of establishing a good relationship with contractors by providing engineers for each project in order to help the contractors when facing problems on site so that projects quality can be delivered on time.
- A shortage of skilled workers and quality contractors causes a change in the building contractor market. Formerly, contractors had to bid for projects. Now, the real estate operators have to offer contractors for projects instead. The contractors' reputation, work experience, and competence are under consideration. Also, their actual performance for the Real Estate Business is assessed.
- To compile a guideline for housing construction and providing training for both contractors and employees working in the Real Estate Business.

• The Risk from the Competition

The market of housing and real estate is highly competitive because any real estate developer can enter or leave the market freely, together with many existing developers in the market. Most of them have the experience in the real estate for more than a decade. The competition in this business depends on each developer's strategies to compete with others and run its business to overcome any occurred crisis.

Therefore, the Real Estate Business has established strategies to manage risk in competition, which are as follows:

- To follow situations of the housing and the real estate market through closely observing an economic tendency and adaptation of the real estate entrepreneurs.
- To study the changing behavior and needs of customers as information for developing housing projects in order to satisfy the customers' needs.
- To build houses and condominiums with emphasis on quality, cost control, and a reduction in expenses.
- Quality control process up to the product delivery to clients and a customer service that emphasizes on customers' satisfaction, giving real estate business more advantages in the competition in credibility, product quality and service.
- To increase new target groups and new channels of distribution that will allow the Real Estate Business to reach its new target groups.

- To arrange activities to strengthen a relationship with surrounding communities and underlining the significance of environmental and social responsibilities in order to build confidence and a good relationship between the Real Estate Business and surrounding communities.
- To strengthen the management and the communication of “MBK Real Estate” under the brand of “MBK” to be widely recognized, which will support the sales of new projects; to focus on strategies and customer management by creating “experience” that will add more value to the services, and directly increase the “confidence” in the brand.
- To develop the personnel to have knowledge and expertise as well as building a big database or Big Data in the organization in order to be able to create and manage strategies to match the changing market’s situations.

• The Risk from the Economic Situation

The impact of the epidemic outbreak of Corona Virus (COVID-19) worldwide in 2020 has caused a hugely sluggish economy. It is anticipated that in 2021, the economic situation still slows down because its new outbreak has an impact on a recovery of the private sector. The tourism sector is expected to be still sluggish. A household debt ratio is high, therefore, financial institutes still have strict control on making housing loans. Moreover, a risk from salary cuts or laying employees off is expected to tend upwards. The Company has followed up

the situations in order to assess the real estate’s market continuously in order to be used in the strategy’s formulation and coping with changes in several contexts.

However, the MBK Real Estate Co., Ltd. mainly takes care of the projects which the Company has opened for sale in the past and in the present for the sake of the quality of good living. The Company only focuses on developing projects situated on potential plots of land which MBK possesses nowadays. Information Technology is also used to control over the quality of the construction and development of the projects’ services in order to respond to needs of target groups’ customers and remain competitive during the market’s situation in 2021. For the property management business and property appraisal and advisory service business, various target groups are more expanded.

5. The Risk Factors of the Food Solution Business

The Rice Business

• The Risk Arising from Prices of Raw Materials

Rice is the main raw material of the Company’s production. It is classified as an agricultural commodity which its prices fluctuate all the time according to the market’s situations— whether they are the economy, the politics, the climate, or the environment. These factors stimulated demand and supply, in 2020 the supply of Thai rice in the world’s export market contracted because of the global economy and the appreciation of Thai Baht. The supply of Thai white rice was more highly priced than its competitors in the market. Therefore, in 2020, the export of Thai rice in an overall picture then extremely decreased, when compared with the year 2019. The world’s number one of rice exporters was India, while Thailand was ranked third in the world and surpassed by Vietnam which was ranked as the world’s number two. However, Thai rice still has the potential for international growth because of its product’s quality and reliable services. For the domestic market, the sluggish economy had an impact on consumers’ purchasing power. Therefore, price competition and the categorization of products were employed in 2020. However, PRG has formulated an operational policy in order to reduce risks from the market’s fluctuation by:

- To store only main products such as jasmine rice and white rice as a spare volume for the production with appropriate prices by checking all statistics before making decisions to buy rice.
- Specialized products or products having shorter shelf life than other rice types such as rice for good health, a policy to sufficiently balance a volume of rice in production with a volume of rice for sale is used in order to reduce problems of the quality and fluctuating prices.

For raw materials for the foreign market, a policy to buy a volume of rice according to the purchasing order is used in order to reduce the risk of prices of inventory raw materials when compared with the market.

• The Risk Arising from Price Fluctuations

The situation of the epidemic outbreak of Corona Virus Disease (COVID-19) made consumers' purchasing power similar to the year 2019, causing the market's price mechanism to employ a higher price competition strategy. In order to reduce the risk and increase the PRG's competitive potential, it stipulated its goal in order to increase the Company's at least 2 more production sources in order to reduce the risk in terms of a shortage of products. PRG then can deliver and enhance its competitive potential by improving the potential of the production sources to be efficient and conform to PRG's standards by controlling costs. It could help set products' prices of PRG to correspondingly deal with the market situations.

PRG has set its competitive policy for the domestic market for 3 parts as follows:

- The Traditional Trade focuses on an increase in sales volumes and an increase in distribution channels in order to distribute trademarked rice products more. Particularly, in 2020, the public sector had a policy to promote retail stores in the traditional trade. Therefore, the Company focused on this market's expansion in order to accord with consumers' purchasing power during the situation of the epidemic outbreak of Corona Virus Disease (COVID-19).
- The Modern Trade's strategies used in this channel focus on creating an image and trying to maintain sales areas by means of organizing promotions continuously, managing distribution areas for each shopping center, increasing a variety of products, and increasing an online channel. All are for maintain its market share as much as possible.
- The HORECA—the direct sale channel—mainly focuses on the fastness and convenience of customers with proper prices. Therefore, finding other food types which customers want is used as a one-stop-service strategy in order to maintain the customer base.

• The Risk Arising from Rice Export

In 2020, the impact of the epidemic outbreak of Corona Virus Disease (COVID-19) caused the economic situation of countries to reduce their purchasing power of the rice's importation. The currency exchange rate of Thai Baht has continuously appreciated. The supply does not harmonize with the demand, which is in the opposite direction of importers' economic situation. This leads to be unable to satisfy consumers' purchasing power. These factors have made fiercer competition in the market. However, PRG still maintains target

customers. PRG's main customers still have confidence in the Company continuously. PRG's focused policy is to reduce the risk from foreign trade as follows:

- PRG agrees to make a sales contract only when there are sufficient raw materials.
- PRG stores an appropriate amount of raw materials as a minimum required by public agencies.
- Financial transactions are done through leading and trusted banks and customers' creditability is verified as well.
- In order to prevent fluctuations in Thai Baht currency, the Company has to buy a forward contract for a foreign currency exchange rate after each purchasing order is received immediately.

• The Risk in Value of Thai Baht Currency

PRG prevents fluctuations in the currency exchange rate by coordinating with banks in order to manage the currency exchange rate in each case every time when a trade is made.

• The Risk from Natural Disasters

PRG has to lay a policy to take care of areas in many forms in order to deal with possible incidents and prevent discontinuity in operations such as sparing a space in a warehouse ready for dealing with floods by means of preparing palettes to elevate products higher above the ground level and checking the location and its surroundings as a period of time is scheduled in order to prepare measures in advance. These policies are laid in order to reduce the risk of the response to consumers' needs and the Company's damage.

- **The Risk of Depending on Major Customers or Distributors or a Small Number of Customers or Distributors**

In 2020, products were sold to the first 10 biggest customers, calculated as 38% of the total revenues. The biggest customer had a rice sales volume of not more than 10% of the total revenues. From this trade share, PRG currently considers that there is no risk of depending on any big customer. Moreover, PRG concentrates on increasing incomes from other businesses continuously, action plans for expanding its business to the Food Court Business, selecting other products in order that there is a full variety of products, including changing its strategies in order to enter the market through direct sales channel in order to have stable and sustainable growth in the future.

The Food Court Business

In 2020, the impact of the epidemic outbreak of Corona Virus Disease (COVID-19) and the public sector's preventive measures to this pandemic mentioned above such the social distancing measure, the campaign for wearing a hygiene mask and clean hands with an alcohol-based sanitizer, the prohibition on a crowd's gathering, the prohibition on dining at a restaurant for a period of 2 months, and not allowing foreign tourists to come to Thailand. These led to a changing pattern of consumers' dining out and most food entrepreneurs had to temporarily stop providing full services.

MBK-FI, as the executive of Food Legends by MBK with its 2 branches and ImJung Food Court, has responded to the public sector's policy and exercised its social responsibility by adapting and taking the public sector's measures in order to build confidence of services users such as

the social distancing measure by arranging seats with specified distance, reducing common points of contact, changing the form of provided seasoning to be given as sachets or ladled out by store sellers, arranging for employees— who wear hygiene masks and gloves all the time—to pick and boil utensils for a short time, intensifying the strictness of food's cleanliness by arranging for cooks and store sellers to wear gloves and hygiene masks or face shields all the time of providing services, installing food shields in order to reduce the contact with food, increasing a cleanliness level of tables and chairs by using food-grade disinfectants to clean the tables and chairs after the services users finish having meals every time.

Because MBK Center encountered a problem of a decreasing number of services users who were foreign tourists, MBK Center turned to focus on satisfying the need of domestic customers more by adjusting the pattern of rental spaces to be offices, having the Co-Working Space zone, and being prepared to bring in tutoring centers to occupy the spaces. MBK-FI then adjusted its trade strategies to respond to such changes in order to increase channels of providing services. An on-site food delivery service was provided to customers so that they needed not to come to directly use services at food courts. Ordering food through Application was publicized in order to promote the orders. The online channel as the social network was used to communicate information and promotions and emphatically state the goal to respond to services users such as reviews of the food courts given by celebrities. A vast variety of more than 70 alliance restaurants which were selected exclusively to their great taste, great quality, and potential to build a mutual trade opportunity as an important advantage in order to overcome the crisis in 2020.

6. The Risk Factors of the Financial Business

- **The Credit Risk Management of Non-performing Loans**

The risk arises from debtors and the counterparties who default on their payments or are unable to fulfill their obligations agreed in the loan agreements. This can arise from debtors facing business problems or situations in distress due to the economic fluctuations or mismanagement, as a result, the Group's revenues will be adversely affected.

However, the Financial Business Group is aware of the management of the risk arising from non-performing loans, which is the nature of business. Therefore, the Company emphasizes debt collection management by establishing a policy and procedures for the control over the quality of the loans regularly. To begin with, the Group puts in place some procedures for appraising the credit worthiness of the borrowers or counterparties of the loan agreement. The credit analysis unit is responsible for appraising the risk and

determining credit line as well as related terms and conditions to be included in each loan agreement suitably. Moreover, there is a committee with knowledge and experience in the Financial Business to assign and approve loan applications. They are also responsible for regulating the operations. Furthermore, credit insurance is offered as an option to customers who want to buy insurance aimed to cover debts obliged to the Company.

Moreover, for debtors who are affected by the epidemic outbreak of Corona Virus Disease (COVID-19), the Financial Business has helped them by reviewing the scale of the impact, credit's types, and credit default risk. The Financial Business issues aid measures such as debt restructuring and conditions eased as appropriate. Also, measures to control and follow up debtors and regularly assess credit risk are increased in order to reduce the opportunity of defaulting on paying back loans in the future.

• The Risk from Collateral

For secured loans, the Financial Business puts in place a system to assess and classify the quality of each type of collateral by considering the liquidity in locations (for the real estate), economic fluctuations which have an effect on the stock exchange (for movable assets –classified as common shares), and market demands (for motorcycles) of the collateral. The analyses will be used to consider the loan application. In real estate collateral, all assets are subject to appraisal by qualified independent appraisers while credits are appropriately granted to ensure collateral to cover the debt balance. Buildings are also insured against fire throughout the contract term, which will compensate for the possible future damage. For collateral as movable assets –classified as common shares, it has to monitor changes in the stock exchange in order to check shares' prices by specifying to increase the collateral in case of decreasing share prices in order to prevent damage possibly occur later. As regards the Motorcycle Hire Purchase Business in which motorcycles are considered collaterals, T Leasing Company Limited is the holder of the collateral and possesses the ownership of the collateral. If borrowers fail to repay their loans, the company can repossess the motorcycle which serves as collateral right away and selling it through a legal and transparent auction.

For the Motorcycle Hire Purchase Business run by T Leasing Company Limited ("TLS"), motorcycles are considered collateral and a bailor holds title to collateral. If debtors cannot pay back loans, TLS can take possession of assets immediately in order to re-sell through transparent and legal auctions. Therefore, there is a risk arising from the inability to repossess the motorcycles which serve as collateral. As well, there is a risk arising from the proceeds from auctioning the repossessed motorcycles which may insufficiently cover the outstanding balance on the loan and other damages caused.

• The Risk Rising from Prices and Interest Rates

This risk arises from interest rate movements and the capital market, which may have adverse impacts on the Group's financial costs and revenues, particularly the Hire Purchase Business. In the Hire Purchase Business, the borrowers are required to pay a fixed rate of interest and it has an effect on the insurance reserve for the Life Insurance Business.

However, in order to absorb the risk, the Group charges an interest rate on loans are competitive and reasonable, in line with the higher risk when compared with the risk faced by commercial banks. Other measures to absorb the risk include, among others, charging a floating interest rate on loans and imposing prepayment penalties. For the Life Insurance Business, it states that the Investment Committee always considers to change investment strategies to be aligned with a tendency towards interest rates.

• The Risk from Receiving Insurance Premiums

It is the risk that TM Broker Co., Ltd. ("TMB") may not receive insurance premiums from the insured and insurance brokers within specified periods; brokers who collect premiums from the insured but do not further send premiums to TMB. All these can lead to the risk from not able to pay overdue insurance premiums and possibly cause bad debts. Therefore, TMB has specified guidelines on risk management by means of following outstanding premiums from the insured and brokers closely in order to properly match specified periods, laying down rules relating to the selection of brokers and an amount of money as surety in order to guarantee the payment of insurance premiums according to the specified limit, and providing the power of attorney of receiving insurance premiums for the authorized people only.

- **The Risk from Changes in Policies of Insurance Companies**

TMB operates the insurance broker business. It offers insurance products from insurance companies to customers. Therefore, if insurance companies—which are its main business partners—have changes in insurance policies like insurance premiums and coverage limits, they may have an impact on consumers' decision making. Changes in commission rates, changes in or limitation of distribution channels—have an effect on TMB's revenues.

However, TMB foresees possible risks. It then places significance on building relationships with business partners as its alliances. TMB has organized meetings of specifying the GROUP's policy regarding insurance companies in order to have mutual working guidelines before the cooperation in business operations. These will efficiently help mutual parties with the policy's implementation. Moreover, a meeting is held, together with insurance companies, in order to set action plans and goals annually. All parties will be informed of working directions and these directions will be taken into consideration in order to conform to TMB's policy on business operations, as well as following up results of mutual working and further planning the product development.

- **The Credit Risk**

It is the risk from signatories, particularly their deteriorated financial status of insurance companies as counterparties which fails to meet binding obligations with the Company. It may have an effect on the Company's incomes and business profits. Therefore, the credit assessment of insurance companies as counterparties are carried out by the analysis of the financial stability which its criteria aligned with the specified policy.

Also, the status of paying brokers' premiums to the Company is regularly checked for the completeness and punctuality in order to prevent the credit risk.

- **The Operational Risk**

This risk resulting from being unprepared for the organization's information technology system. The system should be developed in order to cope with changes. All units should be specified that every unit takes responsibility for its own unit's operational risk management and cultivates understanding of this risk for employees at every level so that they acknowledge external impacts and risks. The company makes a business continuity plan so that it can help reduce possible impacts and encourage the business operations, although faced by emergencies, provides secure information technology and the appropriate pattern and consistency in the size and the complexity of the business and cyber risk which is studied and used for the information technology's improvement regularly. Such an information technology system can support, monitor, and use information correctly and efficiently. Also, the data is safely stored. Rights to have access to data are for related parties only. The process of a data backup to support a number of transactions is provided. The Company has criteria and guidelines on the regulation and management of the information technology risk for the sake of safety and coping with possible cyber threats, under the current business operations entering the Digital Era as well as occurring existing cyber threats and technological innovation. The Company specifies every business unit's roles, duties, and responsibilities for the risks and every type of appropriate risk management for the utmost benefits at acceptable level.

- **The Risk from Abiding by Rules, Regulations, and Other Law Related to the Business Running**

It is the risk arising from not abiding by rules, regulations, and law related to the business running. The Financial Business has established a control system in order to follow these mentioned above legally according to the law.

7. The Risk Factors of Other Business

- **The Risk from a Decreasing Number of Cars Repossessed by the Finance Business.**

For the Car Auction Business, a major car delivery group is financial institutions. However, the strict credit loan policy and the public sector's moratorium on debt payments because of the situation of the epidemic outbreak of Corona Virus Disease (COVID-19) have had an impact on a decreasing number of cars confiscated by the financial institutes into the market. AAA then has increased a number of cars from other groups of sellers such as a rental car group and a private car group.

8. The Risk Factor of the Corporate Supporting Center

The Corporate Supporting Center, which is the main unit in managing the supporting work of the Group, mainly has an operational risk. Effects from this risk can be controlled by the means of risk transfer and control of risk from internal factors as follows:

• The Risk in Human Resources and Management

Mutual Recognition Arrangement, “MRAs” that comes with the free trade agreement among ASEAN countries is considered a major external factor that can affect the organization in terms of labor flow. This factor poses a challenge for human resource management because personnel with high competency (or talented workforce) may be harder to retain because of the free flow of labor.

From the vision of the Board of Directors and the Management Team of the Company, it is aware of the risk factor and puts more emphasis on the policy to develop human resources and human capitals, which are an important foundation of the organization’s instability and value. From that vision, the organization is trying to create a warm and friendly working environment by promoting organization culture and developing the human resource management system to be more professional. The objective is to create personnel that are united and share the same value, and colleagues with creative interactions. There will be more opportunities for employees to show their potentials, present new ideas and embark on new projects. Employees will realize their own value and be determined to use their knowledge to develop their organization, as well as realizing the flexible and agile working more in order to increase the organization’s ability to compete with and grow with stability and sustainability.

• The Risk from the Technology and Communication

It is widely acknowledged that the current communication technology makes the business world much smaller. Access to customers through communication technology becomes a key factor that may give more advantages in competition by being able to communicate and present new products and services as well as innovations to respond to customers’ business demands, and control the quality, time frame and cost more efficiently.

The Group realizes the importance of the risk management of all 8 business groups. The Information Technology Steering Committee is founded in order to stipulate a frame of policies and provide opinions on the development of the Information Technology (IT) system both for the central part and business groups in order to meet the need of business operations of the Group and the need of customers for the services. In the past year, in order to support business expansion, IT development and operations were initiated in many

projects. They established the Data Center and Disaster Recovery Site used when main the information Technology system at the center did not work, the use of advanced technology— IoT, Sensor, Big Data, AI, Cloud, and Mobile Experience— to be applied to working in order to increase the organization’s competitiveness developing and installing the Information Technology system in all 8 business groups in order to support transactions with the help of the IT system, and the Customer Relationship Management system in order to support the Customer Database & Loyalty Program activities, for example. Moreover, the services of the Contact Center & Central Concierge were expanded to be used in the MBK GROUP’s associated companies in order to satisfy the needs of the customers with the aim of reaching the same standard.

• Managerial Risk in the Situation of the Epidemic Outbreak of Corona Virus Disease (COVID-19)

The situation of the epidemic outbreak of Corona Virus Disease (COVID-19) has had both direct and indirect impacts on the Company’s business performance. As a result, the Corporate Supporting Center’s main duty is to manage resources necessary for the Group’s performance. It has established measures to take care of, maintain, and prevent incidents such as providing alcohol-based gel and sprays for employees so that they can clean their hands, arranging temperature measuring points before entering offices, encouraging employees to wear hygiene masks and implement social distancing, and making work regulations concerning emergency situations. Moreover, equipment and tools are provided in readiness so that the employees can work from home.

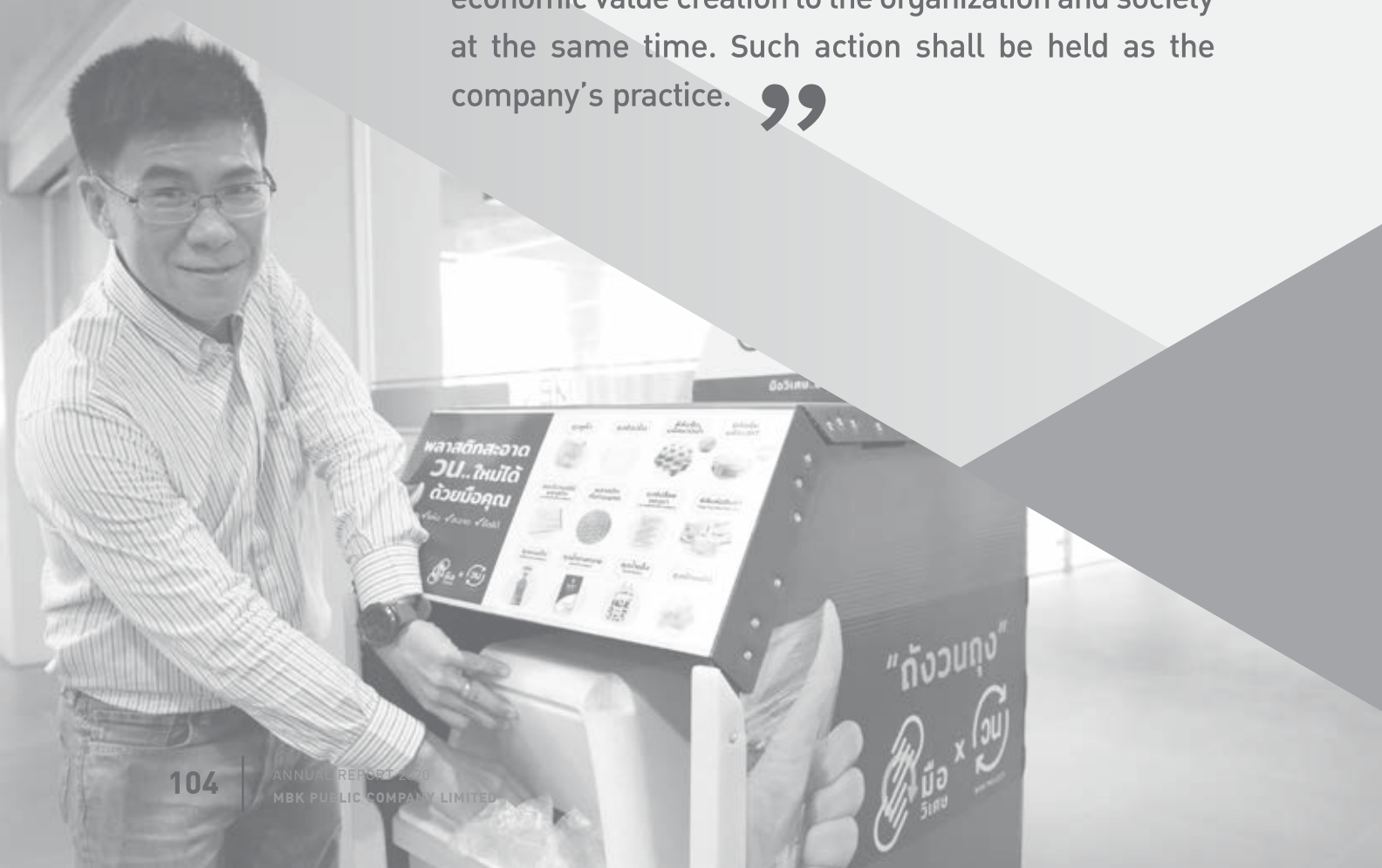
THE SUSTAINABLE DEVELOPMENT REPORT 2020



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MBK Public Company Limited operates its business with a strong hold on the Good Corporate Governance guidelines and compliance with the law, business ethics, and corporate conducts together with pursuing professional management. It is the Company's important duty to take care of and responsibility for communities, the society, surrounding environment, and all interested parties The Company realizes that promoting and supporting the strengths of the communities and society seriously will result in social and environmental development for holistic sustainability. The Company continuously organizes activities for the communities and the society by applying the company's expertise to economic value creation to the organization and society at the same time. Such action shall be held as the company's practice.

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Contribution towards Social Development for Sustainability

The year 2020 was the extremely challenging year for the Company because of the epidemic outbreak of Corona Virus (COVID-19) which had a wide impact on all segments. The Company was aware of the mentioned situation and adapted itself to run business operations in order to align with the market's condition efficiently so that the Company could maintain its business competitiveness, respond to the expectation of all groups of stakeholders, build the strong organizational culture, and achieve a balance of the economy, society, and environment, according to the principles of the sustainable development.

For the participation in the social development for the sustainability, MBK Public Company Limited and its subsidiaries ran business, together with mobilizing various projects to promote quality of life of people in the society, the communities, and the environment continuously, from both CSR-in-process and CSR-after-process. Employees were stimulated to raise environmental awareness. Their values and pride in their participation in community service were promoted, under the umbrella of 3 aspects of the sustainable development which the Company has placed significance and carried out continuously. They are as follows:

The Social Aspect: The Company has focused on and promoted the development of potential and building the healthy society. It also helped communities surrounding the Company's business locations to have participation by using useful knowledge to improve the quality of life of people in communities and providing financial support to public agencies, organizations, and foundations as well as providing spaces for students and foundations in order to organize charitable activities and public services.

The Environmental Aspect: The Company is determined and adheres to be "Thai organization with a green heart" by taking care of and responsibility for the environment in every process, through supporting activities that pertain to energy conservation, resource management with value recognition, energy saving, and creative ways of recycling in order to relieve environmental problems which are considered the problems at world level. Cooperation and teamwork from all parties are needed such as running a campaign for raising the employees' good awareness of conservation of the environment; organizing activities to provide knowledge to the communities, new generations, and educational institutions so that they can be role models or leaders in creatively coping with the environmental problems, as well as expanding cooperation with alliances in order to maintain a balance between business operations and being environmentally friendly.

The Economic aspect: The Company runs business and encourage investment with potential, and has professionalism of run diversified business in order to generate returns sustainably. Therefore, it enables the Company to grow continuously and stably. It is also part of creating the society of happiness and sustainably strengthening Thai economy in the long run.

You can have further information about the Sustainable Development Report on the Company's website at www.mbkgroup.co.th



TELEPHONE & FAX NUMBERS OF JURISTIC PERSONS WHICH MBK HOLDS MORE THAN 10%

AS OF DECEMBER 31, 2020

Type of business	Name of company	Telephone Number	Fax Number
Shopping center Business	1 MBK Shopping Center Company Limited	0-2853-9000	0-2853-7000
	2 Paradise Park Company Limited	0-2780-1000	0-2780-1122
	3 Paradise Retails Company Limited	0-2780-1000	0-2780-1122
	4 Paradise Place Suanluang Company Limited	0-2780-1000	0-2780-1122
	5 Glas Haus Building Company Limited	Head Office 0-2853-9000	Head Office 0-2853-7000
	6 Glas Haus Ratchada Company Limited	Head Office 0-2853-9000 Branch 0-2693-9388-9	Head Office 0-2853-7000 Branch 0-2693-9388-9 Ext. 108
	7 MBK Smart Force Security Guard Company Limited	0-2853-9000	0-2853-7000
	8 The Nine Center Company Limited	Head Office 0-2853-9000 Branch 0-2056-7999	Head Office 0-2853-7000 Branch 0-2056-7998
	9 MBK Center Company Limited	0-2853-9000	0-2853-7000
	10 MBK Square Company Limited	Head Office 0-2853-9000 Branch 0-2853-7070-7,7079	Head Office 0-2853-7000 Branch 0-2853-7078
	11 MBK Online Company Limited	0-2853-9000	0-2853-7000
	12 The Nine Tiwanon Company Limited	Head Office 0-2853-9000	0-2853-7000
	13 MBK Property Company Limited (Formerly known as "T Consultant Company Limited")	0-2853-9000	0-2853-7000
	14 X-Gen Premium Company Limited	0-2853-9000	0-2853-7000
	15 Siam Piwat Company Limited	0-2658-1000 - 19	0-2658-1020 - 1
Hotel and tourism Business	16 MBK Hotels and Tourism Company Limited	Head Office 0-2853-9000 Branch 0-2216-3700	Head Office 0-2853-7000 Branch 0-2048-4622
	17 MBK Business Company Limited	0-2216-3700-29	0-2216-3730
	18 MBK Hotels and Resorts Company Limited	Head Office 0-2853-9000 Branch 0-7562-8000	Head Office 0-2853-7000 Branch 0-7562-8048
	19 Supsinthanee Company Limited	Head Office 0-2853-9000 Branch 0-7782-6003, 0-7788-0600-2	Head Office 0-2853-7000 Branch 0-7783-5239, 0-7788-0611
	20 Lanta Land Development Company Limited	Head Office 0-2853-9000 Branch at Krabi 0-7560-7100	Head Office 0-2853-7000 Branch at Krabi 0-7560-7199
	21 MBK Capital Company Limited	0-2853-9000	0-2853-7000
	22 Absolute Travel Company Limited	0-2147-5858	-
	23 M G 1 Company Limited	0-2853-9000	0-2853-7000
	24 The Olympic Fitness Club Company Limited	0-2216-3700 Ext. 20805	-
	25 C L P Management Company Limited	0-7631-1929 0-2048-7038 , 0-2048-7034,	-
	26 Paemala Spa Company Limited	0-2216-3700 Ext. 18	-
	27 DMS Property Investment Private Limited	0-2853-9000	0-2853-7000
	28 Rehapply Plus Company Limited	0-2853-9000	0-2853-7000
Golf Business	29 Riverdale Golf and Country Club Company Limited	Head Office 0-2853-9000 Branch 0-2501-2789, 0-2084-2222	Head Office 0-2853-7000 Branch 0-2501-1833
	30 MBK Resort Public Company Limited	Head Office 0-2853-9000 Branch 0-7632-1929, 0-2084-2222	Head Office 0-2853-7000 Branch 0-7632-1927- 8
	31 Phuket Loch Palm Golf Club Company Limited	Head Office 0-2853-9000 Branch 0-7632-1929	Head Office 0-2853-7000 Branch 0-7632-1927- 8
	32 MBK Enterprise Company Limited	0-2853-9000	0-2853-7000
	33 MBK Golf Management Company Limited	0-2853-9000	0-2853-7000
	34 Lam Luk Ka Golf and Country Club Company Limited	0-2995-2300-4	0-2995-2305

Type of business	Name of company	Telephone Number	Fax Number
Real estate Business	35 MBK Real Estate Company Limited	Head Office 0-2853-9000 Branch 0-2022-0000, 0-2084-3333	Head Office 0-2853-7000 Branch 0-2022-0002
	36 Plan Estate Company Limited	Head Office 0-2853-9000 Branch 0-2022-0008, 0-2084-3333	Head Office 0-2853-7000 Branch 0-2022-0009
	37 Crystal Lake Properties Company Limited	Head Office 0-2853-9000 Branch 0-7632-1929	Head Office 0-2853-7000 Branch 0-7632-1927 - 8
	38 Plan Appraisal Company Limited	Head Office 0-2853-9000 Branch 0-2022-0003, 0-2084-3333	Head Office 0-2853-7000 Branch 0-2022-0005
	39 Lan Bangna Company Limited	Head Office 0-2853-9000	Head Office 0-2853-7000
	40 Kathu Land Company Limited	0-2853-9000	0-2853-7000
	41 MBK Residence Company Limited	0-2853-9000	0-2853-7000
	42 MBK Sukhumvit Company Limited	0-2853-9000	0-2853-7000
	43 MBK Realty Company Limited	0-2853-9000	0-2853-7000
	44 MBK Charan Company Limited	0-2853-9000	0-2853-7000
	45 M G 6 Company Limited	0-2853-9000	0-2853-7000
	46 Tantara Gallery Company Limited	Head Office 0-2216-3700	Head Office 0-2216-3730
	47 M G 3 Company Limited	0-2853-9000	0-2853-7000
Food Solution Business	48 Patum Rice Mill and Granary Public Company Limited	0-2501-2175, 0-2084-8888	0-2501-2176
	49 PRG Property Company Limited	0-2501-2175, 0-2084-8888 08-1265-4085, 08-1265-3706,	0-2501-2176
	50 Ratchasrima Rice Company Limited	08-1265-3670	-
	51 Sima Pac Company Limited	0-2501-2175, 0-2084-8888	0-2501-2176
	52 Innofood (Thailand) Company Limited	0-2084-8888	-
	53 MBK Food and Entertainment Company Limited	0-2084-8888	-
	54 MBK Food Island Company Limited	0-2048-0146, 0-2084-8888	-
	55 MBK Restaurant Group Company Limited	0-2084-8888	-
	56 MBK Food Service Company Limited	0-2084-8888	-
Financial Business	57 MBK Guarantee Company Limited	0-2853-7878	0-2853-7879
	58 Primacy Elegance Investments Limited	Contact to office 0-2853-9000	Contact to office 0-2853-7000
	59 MBK Premium Company Limited	0-2853-9000	0-2853-7000
	60 T Leasing Company Limited	0-2832-2555	0-21182607
	61 M G 4 Company Limited	0-2853-9000	0-2853-7000
	62 M G 7 Company Limited	0-2853-9000	0-2853-7000
	63 M G 8 Company Limited	0-2853-9000	0-2853-7000
	64 MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")	0-2832-2519	-
	65 Max Asset Management Company Limited	0-2217-8000 ext. 1021, 0-2613-6000	0-2613-6050
	66 MBK Life Assurance Public Company Limited	0-2111-0055	0-2111-0056
	67 TM Broker Company Limited	0-2026-3541	-
	68 MT service 2016 Company Limited	0-2026-3541	-
Others Business	69 MBK Trading Company Limited	0-2853-9000	0-2853-7000
	70 Apple Auto Auction (Thailand) Company Limited	Head Office 0-2853-9000 Branch 0-2399-2299, 0-2084-5555	Head Office 0-2853-7000 Branch 0-2399-2244, 0-2399-2120
Corporate Supporting Center	71 MBK Advanced Company Limited	0-2853-9000	0-2853-7000
	72 MBK Insurance Broker Company Limited	0-2853-9000	0-2853-7000
	73 MBK Training Center Company	0-2853-9000	0-2853-7000
	74 MBK Service Solution Company Limited	0-2853-9000	0-2853-7000
	75 MBK Asset Company Limited	0-2853-9000	0-2853-7000
	76 MBK Leisure Company Limited	0-2853-9000	0-2853-7000
	77 MBK Club Company Limited	0-2853-9000	0-2853-7000
	78 MBK Food System Company Limited	0-2853-9000	0-2853-7000
	79 MBK Innovation Company Limited (Formerly known as "MBK Broker Company Limited")	0-2853-9000	0-2853-7000
	80 MBK Contact Center Company Limited (Formerly known as "MBK Digital Company Limited")	0-2853-9000	0-2853-7000, 0-2118-2607
	81 Puen Pob Paet Company Limited	0-2853-9000	0-2853-7000
	82 TM Communications and Brand Management Company Limited	0-2853-9000	0-2853-7000

JURISTIC PERSONS WHICH COMPANY HOLDS GREATER THAN OR EQUAL TO 10%

AS OF December 31, 2020

Type of business	Name of company	Head-quarters	Main business	Registered capital (Baht)	Paid-up capital (Baht)	Direct shareholding (%)	Indirect shareholding (%)
Shopping center	1. MBK Shopping Center Company Limited	Bangkok	Investment	1,000,000,000	1,000,000,000	100.00	-
	2. Paradise Park Company Limited	Bangkok	Shopping center and property for lease	700,000,000	700,000,000	-	100.00 ¹
	3. Paradise Retail Company Limited	Bangkok	Property for lease (cease operation)	5,000,000	5,000,000	-	100.00 ²
	4. Paradise Place Suanluang Company Limited	Bangkok	Shopping center and property for lease	3,300,000,000	3,300,000,000	-	99.99 ²¹
	5. Glas Haus Building Company Limited	Bangkok	Property for lease (cease operation)	195,000,000	195,000,000	-	100.00 ³
	6. Glas Haus Ratchada Company Limited	Bangkok	Property for lease	270,875,000	270,875,000	100.00	-
	7. MBK Smart Force Security Guard Company Limited	Bangkok	Security service	1,000,000	1,000,000	99.97	-
	8. The Nine Center Company Limited	Bangkok	Shopping center, property for lease and real estate	3,000,000,000	3,000,000,000	-	100.00 ⁴
	9. MBK Center Company Limited	Bangkok	Car park rental	2,000,000	2,000,000	99.99	-
	10. MBK Square Company Limited	Bangkok	Property management service	100,000,000	100,000,000	100.00	-
	11. MBK Online Company Limited	Bangkok	Online selling	1,000,000	1,000,000	99.97	-
	12. The Nine Tiwanon Company Limited	Bangkok	Shopping center	500,000,000	500,000,000	-	99.70 ¹
	13. MBK Property Company Limited (Formerly known as "T Consultant Company Limited")	Bangkok	Property for lease	355,000,000	355,000,000	100.00	-
	14. X-Gen Premium Company Limited	Bangkok	Property for lease	90,000,000	90,000,000	100.00	-
	15. Siam Piwat Company Limited	Bangkok	Shopping center and property for lease	274,000,000	274,000,000	47.98	-
Hotel and tourism	16. MBK Hotels and Tourism Company Limited	Bangkok	Hotel management and travel	130,000,000	130,000,000	100.00	-
	17. MBK Business Company Limited	Bangkok	Personnel management service	570,000,000	570,000,000	100.00	-
	18. MBK Hotels and Resorts Company Limited	Bangkok	Hotel	2,200,000,000	2,200,000,000	100.00	-
	19. Supsinthanee Company Limited	Bangkok	Hotel	505,325,000	505,325,000	100.00	-
	20. Lanta Land Development Company Limited	Bangkok	Hotel	340,000,000	340,000,000	100.00	-
	21. MBK Capital Company Limited	Bangkok	Land rental	5,000,000	5,000,000	-	99.99 ⁹
	22. Absolute Travel Company Limited	Bangkok	Hotel	125,000,000	125,000,000	-	99.99 ⁶
	23. M G 1 Company Limited	Bangkok	Hotel	550,000,000	550,000,000	100.00	-
	24. The Olympic Fitness Club Company Limited	Bangkok	Fitness center	120,000,000	120,000,000	-	99.97 ⁸
	25. C L P Management Company Limited	Bangkok	Property management service	2,000,000	500,000	-	72.59 ¹³
	26. Paemala Spa Company Limited	Bangkok	Property for lease	5,000,000	5,000,000	-	25.00 ⁶
	27. DMS Property Investment Private Limited	Republic of Maldives	Hotel	6,013,130	6,013,130	-	35.00 ⁹
	28. Rehappy Plus Company Limited	Bangkok	Hospital	5,000,000	5,000,000	-	50.00 ⁸
Golf	29. Riverdale Golf and Country Club Company Limited	Bangkok	Golf course and real estate	4,000,000,000	4,000,000,000	100.00	-
	30. MBK Resort Public Company Limited	Bangkok	Golf course, hotel and real estate	200,000,000	160,000,000	-	72.99 ^{9/11}
	31. Phuket Loch Palm Golf Club Company Limited	Bangkok	Dormant	2,000,000	2,000,000	-	72.60 ¹²
	32. Nasset Property Fund1	Bangkok	Property Fund (The Fund mature and dissolution on 31 August 2015)	13,656,192	13,656,192	-	72.45 ¹²
	33. MBK Enterprise Company Limited	Bangkok	Golf course and property for lease	3,000,000,000	3,000,000,000	100.00	-
	34. MBK Golf Management Company Limited	Bangkok	Personnel management services	5,000,000	5,000,000	-	100.00 ²⁰
Real estate	35. Lam Luk Ka Golf and Country Club Company Limited	Pathum Thani	Golf course	1,308,600,000	1,308,600,000	48.60	-
	36. MBK Real Estate Company Limited	Bangkok	Property management service	1,000,000,000	1,000,000,000	100.00	-
	37. Plan Estate Company Limited	Bangkok	Real estate and property management service	200,000,000	200,000,000	-	72.60 ¹²
	38. Crystal Lake Properties Company Limited	Bangkok	Real estate	8,000,000	8,000,000	-	72.60 ¹²
	39. Plan Appraisal Company Limited	Bangkok	Survey and appraisal services	15,000,000	15,000,000	-	72.60 ¹⁴
	40. Lan Bangna Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	72.60 ¹⁴
	41. Kathu Land Company Limited	Bangkok	Dormant	4,000,000	4,000,000	-	70.36 ⁹
	42. MBK Residence Company Limited	Bangkok	Real estate	420,000,000	420,000,000	-	100.00 ⁴
	43. MBK Sukhumvit Company Limited	Bangkok	Real estate	800,000,000	800,000,000	-	100.00 ¹⁸
	44. MBK Realty Company Limited	Bangkok	Real estate	71,200,000	71,200,000	-	69.00 ¹⁸
	45. MBK Charan Company Limited	Bangkok	Real estate	550,000,000	550,000,000	100.00	-
	46. M G 6 Company Limited	Bangkok	Real estate	1,000,000	1,000,000	-	99.97 ¹⁸
	47. Tantara Gallery Company Limited	Bangkok	Market area management	2,500,000	2,500,000	-	99.99 ¹⁸
	48. M G 3 Company Limited	Bangkok	Held property foreclosed	5,000,000	5,000,000	-	99.97 ²⁵

Type of business	Name of company	Head-quarters	Main business	Registered capital (Baht)	Paid-up capital (Baht)	Direct shareholding (%)	Indirect shareholding (%)
Food Solution	49. Patum Rice Mill and Granary Public Company Limited	Pathum Thani	Processing and packaging rice	900,000,000	600,000,000	74.52	-
	50. PRG Properties Company Limited	Pathum Thani	Warehouse rental, land and transportation	250,000,000	250,000,000	-	74.52 ^{/15}
	51. Ratchasima Rice Company Limited	Pathum Thani	Distribution and processing of rice and factory building rental	300,000,000	300,000,000	-	74.52 ^{/16}
	52. Sima Pac Company Limited	Pathum Thani	Factory building rental and transportation	10,000,000	10,000,000	-	74.52 ^{/16}
	53. Innofood (Thailand) Company Limited	Pathum Thani	Space rental with restaurant's supplies (cease operation)	5,000,000	5,000,000	-	74.52 ^{/19}
	54. MBK Food and Entertainment Company Limited	Bangkok	Food center, space rental and service (cease operation)	50,000,000	50,000,000	-	74.52 ^{/15}
	55. MBK Food Island Company Limited	Bangkok	Food center	300,000,000	300,000,000	-	74.52 ^{/15}
	56. MBK Restaurant Group Company Limited	Bangkok	Trading of raw materials and products (cease operation)	270,000,000	270,000,000	-	74.52 ^{/22}
	57. MBK Food Service Company Limited	Bangkok	Dormant	5,000,000	5,000,000	-	87.00 ^{/15}
Financial	58. MBK Guarantee Company Limited	Bangkok	Lending	2,400,000,000	2,400,000,000	100.00	-
	59. Primacy Elegance Investments Limited	British Virgin Island	Investment	2,218,000	110,900	100.00	-
		Contact center: Bangkok					
	60. MBK Premium Company Limited	Bangkok	Leasing and hire purchase	132,079,830	132,079,830	100.00	-
	61. T Leasing Company Limited	Bangkok	Motorcycle hire purchase	3,500,000,000	3,500,000,000	100.00	-
	62. M G 4 Company Limited	Bangkok	Held property foreclosed	1,000,000	1,000,000	-	99.97 ^{/5}
	63. M G 7 Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.97 ^{/5}
	64. M G 8 Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.97 ^{/5}
	65. MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")	Bangkok	Insurance broker	3,979,000,000	3,979,000,000	-	99.99 ^{/10}
	66. Max Asset Management Company Limited	Bangkok	Asset management	40,000,030	40,000,030	16.56	-
	67. MBK Life Assurance Public Company Limited	Bangkok	Life Assurance	1,000,000,000	1,000,000,000	49.00	-
Others	68. TM Broker Company Limited	Bangkok	Agents and consultants for non-life and life insurance	20,000,000	20,000,000	49.00	-
	69. MT service 2016 Company Limited	Bangkok	Back-office and business support	50,000,000	50,000,000	49.00	-
	70. MBK Trading Company Limited	Bangkok	Inventory trading	5,000,000	5,000,000	-	90.00 ^{/2}
	71. Apple Auto Auction (Thailand) Company Limited	Bangkok	Vehicle broker	90,000,000	90,000,000	53.56	-
	72. MBK Advanced Company Limited	Bangkok	Dormant	1,000,000	1,000,000	-	99.89 ^{/17}
	73. MBK Insurance Broker Company Limited	Bangkok	Dormant	2,000,000	2,000,000	99.99	-
	74. MBK Training Center Company	Bangkok	Training service to affiliates	3,000,000	3,000,000	99.99	-
	75. MBK Service Solution Company Limited	Bangkok	Dormant	150,000,000	150,000,000	100.00	-
	76. MBK Asset Company Limited	Bangkok	Dormant	75,000,000	75,000,000	100.00	-
	77. MBK Leisure Company Limited	Bangkok	Dormant	150,000,000	150,000,000	-	100.00 ^{/8}
	78. MBK Club Company Limited	Bangkok	The provision of services of CRM loyalty program	5,000,000	5,000,000	99.99	-
Corporate Supporting Center	79. MBK Food System Company Limited	Bangkok	Dormant	720,000,000	720,000,000	99.99	-
	80. MBK Innovation Company Limited	Bangkok	Dormant	4,000,000	4,000,000	99.99	-
	81. MBK Contact Center Company Limited	Bangkok	Call Center	5,000,000	5,000,000	99.99	-
	82. Puen Pob Paet Company Limited	Bangkok	Dormant	1,000,000	1,000,000	36.29	-
	83. TM Communications and Brand Management Company Limited	Bangkok	Rental space and design services for advertisements, internet public relations, journals and all kinds of publications	5,000,000	5,000,000	50.00	-

Note	/1 Held by MBK Shopping Center Company Limited	/12 Held by MBK Resort Public Company Limited
	/2 Held by MBK Service Solution Company Limited	/13 Held by Crystal Lake Properties Company Limited
	/3 Held by Paradise Park Company Limited	/14 Held by Plan Estate Company Limited
	/4 Held by Riverdale Golf and Country Club Company Limited	/15 Held by Patum Rice Mill and Granary Public Company Limited
	/5 Held by MBK Guarantee Company Limited	/16 Held by PRG Granary Company Limited
	/6 Held by MBK Business Company Limited	/17 Held by MBK Insurance Broker Company Limited
	/7 Held by Paemala Spa Company Limited	/18 Held by MBK Real Estate Company Limited
	/8 Held by MBK Hotels and Tourism Company Limited	/19 Held by Ratchasima Rice Company Limited
	/9 Held by MBK Hotels and Resorts Company Limited	/20 Held by MBK Enterprise Company Limited
	/10 Held by T Leasing Company Limited	/21 Held by The Nine Center Company Limited
	/11 Held by MBK Premium Company Limited	/22 Held by MBK Food and Entertainment Company Limited

SHAREHOLDER STRUCTURE AND MANAGEMENT

Shareholders

1) Majority Shareholders

A name list of top 10 largest shareholders as of 22nd October 2020 (according to the record date for the right to receive dividends.)

The Company's shareholders - who hold shares exceeding 0.5% of its paid-up capital - are 25 shareholders or 78.275% of its paid-up capital. The Company's shareholders - who hold shares not exceeding 0.5% of its paid-up capital but not less than 100 shares of its paid-up capital - are 6,709 shareholders or 21.724% of its paid-up capital, while shareholders who hold less than 100 shares are 968 shareholders or 0.001% of its paid-up capital. The Company's total shareholders are 7,072 in total. The top ten shareholders of MBK Public Company Limited are as follows:

No.	Name	A Number of shares*	%
1	Patum Rice Mill and Granary Public Company Limited	474,249,530	27.981
	PRG Granary Company Limited	25,000,000	1.475
		499,249,530	29.456
2	Thanachart Capital Public Company Limited	379,947,739	22.417
3	Thai NVDR Company Limited	90,809,636	5.358
4	DBS BANK LTD	39,209,800	2.313
5	AIA COMPANY LIMITED-EQDP-D FUND1	35,530,700	2.096
6	Mr. Parinya Tianvorn	34,000,000	2.006
7	STATE STREET BANK AND TRUST COMPANY	31,054,364	1.832
8	MORGAN STANLEY&CO. INTERNATIONAL Public Company Limited	24,600,000	1.451
9	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	22,512,191	1.328
10	The Foundation for Thailand Promotion	20,182,000	1.191
	TOTAL	1,177,095,960	69.448

* A number of shares include the shares held by the related parties according to section 258 of Securities and Exchange Act (No. 4) B.E. 2551

2) A majority shareholder group who have behavior that is significantly influent on the formulation of the Company's management policy or operations

- None -

Dividend Payment Policy

MBK has a dividend payment policy with the calculation of the dividend based on "the consolidated financial statements". In this connection, each dividend payment also has to take into account the retained earnings in "the separate financial statements". This is in compliance with the Public Limited Company Act which stipulates that no dividend shall be paid out of funds other than profit and in the case where the company still sustains an accumulated loss, no dividend shall be paid.

For a dividend payment policy, if there is no incident beyond expectation, the company has a policy to pay a dividend equivalent to a net amount in Baht per share in a current period and not less than a net amount in a previous period, in order that shareholders have stability of receiving dividends as a result of holding the company's stocks in the long term. This type of a stock is counted as a dividend stock.

Details about the Company's Dividend Payment in the Past

	2015	2016	2017	2018	2019
Dividend per share	0.63	0.66	0.70	0.75	0.80*
Earnings (loss) per share (the Consolidated financial statements)	1.36	1.54	1.38	2.17	2.12
Par value	1.00	1.00	1.00	1.00	1.00

Remark: *On 1st April 2020, the Board of Directors' meeting passed a resolution to approve an interim dividend payment on a semi-annual basis ended 1st July 2019 until 31st December 2019, amounting to 0.42 Baht per share and the dividend was determined to be paid on 30th April 2020. When adding to the interim dividend payment for the first semi-annual basis of 2019 which was paid to shareholders on 3rd October 2019, amounting to 0.38 Baht, the total interim dividend payment of 2019 was 0.80 Baht per share.

For the dividend payment policy of MBK Group's subsidiaries, the policy is proposed to the Shareholders' Meeting of the Company to pay the dividend to the shareholders each year by taking the suitability for the performance's results and the planning of investment in the future into consideration.

Subsidiaries that significantly affect the operation of MBK Group are the group of Patum Rice Mill and Granary Public Company Limited ("PRG"). PRG has a policy proposed to the Shareholders' Meeting of the Company to pay the dividend each year on a performance basis that is not less than 50% of the net profit after tax. The Group's subsidiaries has a policy proposed to the Shareholders' Meeting of the Company to pay the dividend each year by taking suitability for performance and the planning of investment in the future into consideration.

3) The Warrants to Purchase of Ordinary Shares of the Company No.1 (MBK-W1)

The Company issued the warrants to purchase ordinary shares of the Company No.1 (MBK-W1) on 23rd November 2020, in the amount of 67,792,116 units for the allocation of the Company's existing shareholders in proportion to their respective shareholdings free of charge (O Baht), at the ratio of 25 existing shares per 1 unit of the warrant. (Any fractions resulting from the calculation based on the allocation ratio will be rounded down.) The warrants' term will be 2 years, 11 months, and 24 days since the issuance date of the warrants. Such warrant maturity date will be 15th November 2023 ("the last exercise date"). In case that the last exercise date is on the Company's holiday, such last exercise date will be postponed to the next working day. The exercise ratio of 1 unit of warrants per 1 ordinary share is 3 Baht ("exercise price").

Management

(1) Management Structure

The Company's management structure consists of the Board of Directors and specialized committees responsible for supporting important management areas and works in respect of which the Board of Directors has adopted resolutions including the Audit Committee, the Executive Committee as well as the Compensation and Nomination Committee and the Good Corporate Governance Committee. There are still various sub-committees such as the sub-committee for the consideration of rents, and the sub-committee for management of the real estate business. The details of the responsibilities of the various committees are as follows:

1. The Board of Directors

The Company's Board of Directors is comprised of 10 members including:

- 9 Non-Executive Directors (of whom 4 are independent, exceeding one-third of the whole Board).
- 1 Executive Director.

A List of the Board of Directors is as follows:

Name	Position	Expertise	Appointment date
1) Mr. Banterng Tantivit*	Chairman	Financial Business, Golf Business, and Real Estate Business	8 th April 1994
2) Mr. Suphadej Poonpipat*	Vice Chairman	Financial Business, Hotel and Tourism Business, and Real Estate Business	8 th April 1994
3) Mr. Kasama Punyagupta	Independent Director	Finance and Investment	30 th April 2018
4) Mr. Pracha Jaidee	Independent Director	Law	14 th November 2007
5) Mr. Suwit Rojanavanich	Independent Director	Accounting and Finance	1 st July 2019
6) Ms. Panit Pulsirivong*	Independent Director	Mass Communication, Golf Business, Hotel and Tourism Business	8 th April 1994
7) Mr. Piyaphong Artmangkorn	Director	Financial Management and Investment, Financial Business	19 th October 1998
8) Mr. Suvait Theeravachirakul	Director and President	Management, Accounting, Finance and Investment	1 st November 2000
9) Mr. Hatchapong Phokai	Director	Management and Real Estate Business	1 st November 2000
10) Mr. Atipon Tantivit	Director	Management and Investment, Golf Business	15 th October 2003

- * Notes :
1. MBK Public Co. Ltd. was formerly a private company under the name of Mah Boon Krong Drying and Silo Co., Ltd. By registration, its name was changed to be MBK Properties and Development Co., Ltd. on 20th December 1990. It was registered for transformation into the public company limited on 8th April 1994 under the name of MBK Properties and Development Public Co., Ltd. and listed on the Stock Exchange of Thailand on 5th April 1996. Later, it was registered to change its name to MBK Development Public Co., Ltd. on 20th November 2002 and its name was registered to change to MBK Public Co., Ltd. on 10th November 2003. The Directors who held the positions of the Company's Directors before transformation into the Public Co., Ltd. The details are as follows:
 - (1) Ms. Panit Pulsirivong held the position of Director of Mah Boon Krong Drying and Silo Co., Ltd. on 2nd March 1989.
 - (2) Mr. Banterng Tantivit and Mr. Suphadej Poonpipat held the positions of Directors of Mah Boon Krong Drying and Silo Co., Ltd. on 19th September 1989.
 2. Ms. Chonlada Ngamnikulchalin is the Secretary of the Board of Directors.

The Board of Directors' meeting is held once per month and for the year 2020, the number of meetings held by the Board of Directors amounted to 12 meetings.

Definitions and Qualification of the Independent Director

The definitions and qualifications of the independent director according to the Company's policy on Good Corporate Governance are in line with the criteria established by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), which details are as follows:

1. Not to hold more than 1 percent of the voting shares of the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company. In any respect, shareholding of people who have connections with such independent director is counted.
2. Not to be or used to be a director who take part in being an executive, an officer, an employee, a consultant being paid a fixed salary or having control authority of the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date. In any respect, the prohibition does not include a case that an independent director used to be a government officer or a consultant for the government sector which is a major shareholder or has control authority of the Company.
3. Not to be related by blood or by legal registration as a parent, a spouse, siblings, children, and including spouses of children of a director, an executive, a major shareholder, a person who has control authority, or a person who is appointed as a director, an executive or a person having control authority of the Company or its subsidiaries.
4. Not to have or used to have a business relationship with the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company which may render a director to be unable to give an independent opinion, including not to be or used to be a shareholder with significance or a person who has control authority of people who have a business relationship with the Company, subsidiaries, joint-venture companies, major shareholders, or people who have control authority of the Company, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date.
5. Not to be or used to be an auditor of the Company, subsidiaries, joint-venture companies, shareholders, people who have control authority of the Company, and not to be a shareholder with significance, a person who has control authority, or a partner in an audit firm where auditors of the Company, subsidiaries, joint-venture companies, shareholders, or people having control authority work for, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date.
6. Not to be or used to be a provider for any professional service, including legal or financial consulting which its consulting fee is paid for more than 2 million Baht per year from the Company, subsidiaries, joint-venture companies, shareholders, or people who have control authority of the Company, and not to be a shareholder with significance, a person who has control authority, or a partner of such professional services provider, with the exception of being discharged from mentioned above characteristics not less than 2 years before the appointment date.
7. Not to be a director whom is appointed to be a representative of a director of the Company, major shareholders, or shareholders who are related to major shareholders.

Tenure of Independent Directors

For the year 2015, the Board of Directors conducted a review of tenure of independent directors. The Board came to the conclusion that the Company's independent directors held their positions not exceeding 9 years. This tenure of the directorship has been used since 2015.

Scope of Authority and Responsibilities of the Board of Directors

1. The Board of Directors is responsible for managing all the Company's businesses in line with the legal requirements, the Company's objectives and Articles of Association, as well as the resolutions adopted at the shareholders' meetings.
2. The Board of Directors has authority to assign one or more of its members or other persons to conduct any business affairs on behalf of the Company.
3. Names and number of directors authorized to sign on behalf of the Company: Mr. Suvait Theeravachirakul and Mr. Hatchapong Phokai— 2 directors have authority to sign jointly with the Company's seal affixed. Except in the case of a guarantee of debts, liability of debts, or fulfilling other obligations and responsibility under an agreement, it has to be approved by the Board of Directors' meeting before taking any action.
4. The Board of Directors has authority to appoint or change the directors serving as authorized signatories on behalf of the Company.
5. The Board of Directors has authority to consider and approve policies and strategies for administrating the company's and its subsidiaries' business operations.
6. The Board of Directors has authority to ensure that the Management Team implements the established policies effectively and efficiently.
7. The Board of Directors has authority to consider and approve the Company's liquidity management for debt instrument investments where the rate is not lower than the investment grade. (Rating is BBB+ or higher.)
8. The Board of Directors has authority to consider and approve the Company's investment expenditure.
9. The Board of Directors has authority to consider and approve the Company's administrative and selling expenses.
10. The Board of Directors has authority to manage risk of financial or investment activities relating to the Company's and its subsidiaries' projects by means of establishing risk management policies as well as monitoring and assessing results.
11. The Board of Directors has authority to consider the appropriateness of the Company's and its subsidiaries' business plan and annual budget.
12. The Board of Directors has authority to consider the Company's Organization Chart, the performance authority, the salary structure, and the structure of annual remuneration for the staff and the executives.
13. The Board of Directors has authority to consider and approve the use of accounting principles and changes in the Company's accounting principles.
14. The Board of Directors has authority to consider and approve on opening bank accounts.
15. The Board of Directors has authority to consider and approve to make domestic and international loans.
16. The Board of Directors has authority to appoint sub-committees to perform some duties in lieu of the Board.

Duties and Responsibilities of the Chairman of the Board of Directors

1. To call for the Board of Directors' Meeting and supervise the distribution of notices of meeting and other documents to ensure that the Board of Directors received sufficient and in time information and in time.
2. To act as the Chairperson in both the Board of Directors' meeting and shareholders' meeting as well as ensure that the meetings are conducted in accordance with the Company's regulations and the specified agenda for the most efficient and effective meeting; by encouraging all of the Board of Directors to participate in the meetings and give independent opinion.
3. To hold a meeting which opinions and suggestions are fully welcome.
4. To regulate the efficiency of the communication between the Committee and Shareholders.
5. To cast the deciding vote in the case when the shareholders' meeting and the Board of Directors' meeting have the same number of votes.

6. To perform one's duties in accordance to the laws particularly specified that it is the responsibility of the chairman.

Tenure of the Directors

1. At the Annual General Meeting each year, one-third of the directors must retire from office. If the number of the directors retiring from office does not amount to exactly one-third, the nearest whole number of one-third shall be used.

The directors who must retire from office in the first year and the second year in line with the preceding paragraph shall be selected by random drawing. In the following years, the directors with the longest tenure in office shall be required to retire. In an event that the number of directors with the longest tenure in office exceeds the number of directors who must retire, the retiring directors shall be selected by random drawing. The retiring directors are eligible for re-appointment.

2. Apart from retiring from office upon the expiration of the tenure, the director shall retire from office upon:
 - (1) Death;
 - (2) Resignation by delivering a written notice of resignation to the Company;
 - (3) Lacking the required qualifications or becoming forbidden by any provisions of the law;
 - (4) Resolution for the director to retire, which is adopted by at least three-fourths of the shareholders attending their meeting and having voting rights, provided that the combined number of the shares owned by these shareholders at least half of the total shares owned by all the shareholders attending the meeting and having the voting rights;
 - (5) The order by the court of law.
3. If the directorship becomes vacant due to other reasons than the expiration of the tenure, the Board of Directors shall appoint a replacement who possesses the required qualifications and is not forbidden by any provisions of the law. The replacement shall be appointed at the Board of Directors' next meeting and has to be voted in by at least three-fourths of the remaining directors, with the exception of the situation in which the remaining tenure of the vacant directorship is less than 2 months.
4. In case the number of vacant directorships results in inadequate quorum, the remaining directors can act on behalf of the Board of Directors only in organizing a meeting of shareholders for the purpose of appointing replacements to fill the vacant directorships.
5. The directors appointed as replacements in line with no. 3 and no. 4 above shall be in the office only for the remaining term of the directorships being replaced.

2) The Executive Committee

A List of the Company's Executive Committee and the Secretary of the Executive Committee is as follows:

Name		Position
1) Mr. Suphadej	Poonpipat	Chairman of the Executive Committee
2) Mr. Piyaphong	Artmangkorn	Member of the Executive Committee
3) Mr. Suvait	Theeravachirakul	Member of the Executive Committee
3) Mr. Atipon	Tantivit	Member of the Executive Committee
5) Ms. Chonlada	Ngamnikulchalin	Secretary of the Executive Committee

The Executive Committee's meeting is held once per month and for the year 2020, the number of meetings held by the Board of Directors amounted to 12 meetings.

Scope of Performance of the Executive Committee

To manage the Company's business affairs in order to ensure that they follow the policies established by the Board of Directors.

Duties and Responsibilities of the Executive Committee

1. To propose policies and strategies for managing the Company's and its subsidiaries' businesses to the Board of Directors for approval.
2. To ensure that the Management Team implements the established policies and strategies effectively and efficiently.
3. To consider and approve the Company's liquidity management for investment in debt instruments rated investment grade (Rating is BBB+ or higher.) within a limit of 200 million Baht per one transaction and report to the Board of Directors when such transaction is approved.
4. To consider and approve long-term investment in equity instruments only relevant to core business of the MBK GROUP.
 - 4.1 Investments in equity instruments listed on the Stock Exchange within a limit of 200 million Baht per transaction and have to be reported to the Board of Directors for acknowledgement when such transaction is approved.
 - 4.2 Investments in equity instruments unlisted on the Stock Exchange of Thailand within a limit of 50 million Baht per transaction and have to be reported to the Board of Directors for acknowledgement when such transaction is approved.
5. To consider and approve the Company's requirement of other capital expenditures, not specified in the annual budget, within a limit of 50 million Baht per one meeting of the Executive Committee and report to the Board of Directors when such transaction is approved.
6. To consider and approve the Company's requirement of administrative and selling expenses, not specified in the annual budget, within a limit of 20 million Baht per one meeting of the Executive Committee and report to the Board of Directors when such transaction is approved.
7. To consider and approve credit limits within a limit of 500 million Baht per transaction and loan to value ratio is not more than 75% and report to the Board of Directors for acknowledgment when such transaction is approved.
8. To manage risks of financial or investment activities relating to the Company's and its subsidiaries' projects by means of establishing risk management policies as well as to monitor and assess results, then report to the Board of Directors.
9. To consider appropriateness of the annual business plan and budget in MBK and its subsidiaries' before proposing them to the Board of Directors for approval.
10. To consider the Company's organization chart, authority, salary structure, and annual remuneration for the staff and the management team before presenting them to the Board of Directors for approval.
11. To manage the Company's business affairs, ensuring that they comply with the legal requirements and that there is no conflict of interest.
12. To supervise the performance of various committees.
13. To acknowledge difficulties, obstacles and review practical solutions.
14. To carry out other duties as assigned by the Board of Directors.

Tenure of the Executive Committee

The chairman and the members of the Executive Committee shall have the same tenure as the Board of Directors' tenure.

3) The Audit Committee

The Board of Directors approved to establish the Audit Committee on 4th February 1999. The Committee is comprised of 3 Independent Directors whose qualifications meet all the regulations of the Stock Exchange of Thailand. The present Audit Committee consists of:

A List of Names and Positions of the Audit Committee and the Secretary of the Audit Committee is as follows:

Name		Position	Note
1) Mr. Kasama	Punyagupta	Chairman of the Audit Committee	Independent Director having knowledge and experience in finance and investment
2) Mr. Pracha	Jaidee	Member of the Audit Committee	Independent Director having knowledge and experience in law
3) Mr. Suwit	Rojanavanich	Member of the Audit Committee	Independent Director having knowledge and experience in accounting and finance
4) Ms. Yupapun	Paritranun	Secretary of the Audit Committee	Head of the Internal Audit Department

The meeting of the Audit Committee is held at least once a month. In addition, the Committee has to meet annually with the external auditors and the Management Team to review the financial statements. For the year 2020, the number of meetings held by the Audit Committee amounted to 15 meetings. The performance's results were reported to the Board of Director every time.

The Audit Committee has annually reviewed the Charter of the Audit Committee in order to conform to practice guidelines of the Stock Exchange of Thailand. The details are as follows:

Scope of Performance of the Audit Committee

1. To review that the Company has the appropriate and effective internal control system and internal audit system.
2. To consider the independence of the internal audit agency.
3. To consider and approve the Company's annual audit plan in cooperation with the internal audit agency, and a budget used in an audit process with regard to related risks.
4. To supervise that the Management Team corrects detected flaws and follow related agencies up that the correction is efficiently carried out.
5. To review evidence or conduct internal investigation when raising doubts about operations which may have an impact on the organization significantly, or flaws, or conflicts of interest which may affect operational performance or the internal control system; and the results are submitted to the Board of Directors for further consideration.
6. To consider and approve the appointment, transfer to another position, and discharge from the job of the head of the internal audit agency.
7. To assess the performance, and consider and approve wages, bonuses, or other remuneration for the personnel of the internal audit agency.
8. To review that Company has accurate, sufficient, and reliable financial statement reports according to certified accounting principles.
9. To consider related transactions or transactions with conflicts of interest in compliance with the law and regulations of the Stock Exchange of Thailand in order to ensure rationality and the utmost benefits for the Company.

10. To review evidence when raising doubts about operations which may have an impact on the Company's operational performance significantly, or conflicts of interest which may affect the Company's operational performance.
11. To consider the selection or discharge, an offer of remuneration, and a proposal to appoint a person who has independence in order to be the Company's auditor.
12. To attend the meeting with an auditor, without the presence of the Management Team, at least one time per year.
13. To recommend that an auditor review or check necessary and important transactions during the Company's account audits.
14. To check that the Company complies with the law, regulations of the Stock Exchange of Thailand, or rules and regulations of the public agencies.
15. To review evidence when raising doubts about any transactions or actions which may violate the law, or regulations of the Stock Exchange of Thailand, or rules and regulations of the public agencies which may affect the Company's financial status and operational performance significantly.
16. To review the risk management system.
17. To cooperate with the Audit Committee of MBK GROUP and request that the Internal Audit Division provides summarized reports on results of auditing all businesses of MBK GROUP for the Audit Committee's acknowledgement.
18. To regulate and review the internal control related to the Good Corporate Governance and anti-corruption measures.
19. In case of necessity, the Audit Committee may recommend that the Board of Directors hire or recruit a specialist to work together for considering and discussing the Company's problem-solving.
20. Other missions as assigned by the Board of Directors.

Tenure of the Audit Committee

The chairman and the members of the Audit Committee shall have the same tenure as the Board of Directors' tenure.

4) The Compensation and Nomination Committee

A List of the Compensation and Nomination Committee and the Secretary of the Compensation and Nomination Committee is as follows:

Name		Position	Note
1) Mr. Suphadej	Poonpipat	Chairman of the Compensation and Nomination Committee	
2) Ms. Panit	Pulsirivong	Member of the Compensation and Nomination Committee	Independent Director
3) Mr. Pracha	Jaidee	Member of the Compensation and Nomination Committee	Independent Director
4) Mr. Thaneit	Khantigaroon	Secretary of the Compensation and Nomination Committee	

For the year 2020, the number of meetings held by the Company's Compensation and Nomination Committee amounted to 1 meetings.

Purpose

The Board of Directors of MBK Public Company Limited appoints the Compensation and Nomination Committee in order to advise on policies, patterns, and rules of Compensation and Nomination for Directors, members of sub-committees, President, Senior Executive Vice President and Executive Vice President so that they can comply with principles of Good Governance and conform to the organization's vision and missions.

Principles of Compensation and Nomination

- The nomination of Directors, members of sub-committees, President, Senior Executive Vice President, and Executive Vice President has to strictly comply with regulations stated in relevant law and regulatory agencies, and qualifications for knowledge and abilities which are appropriate to the organization's culture, vision, missions, and value are taken into consideration.
- The compensation for Directors, members of sub-committees, President, Senior Executive Vice President, and Executive Vice President has to comply to the scope, duties, and responsibilities sufficiently enough to attract, maintain, and motivate them as well as according with the performance.
- The compensation and nomination for Directors, members of sub-committees, President, Senior Executive Vice President, and Executive Vice President have to provide clear and transparent procedures and processes, follow the principles of the corporate governance, and have accountability.

Structure of the Compensation and Nomination Committee

- It consists of at least 3 Directors whom are appointed by the Company's Board of Directors.
- Directors are non-executives and should be mostly Independent Directors.
- The secretary of the Board of Directors is appointed by the Compensation and Nomination Committee.

Duties and Responsibilities of the Compensation and Nomination Committee

- To advise the Board of Directors on the policy on the Compensation and Nomination of Directors, members on sub-committees, President, Senior Executive Vice Presidents, and Executive Vice Presidents.
- To advise the Board of Directors on forms and rules of the Compensation and Nomination of Directors, members on sub-committees, President, Senior Executive Vice Presidents, and Executive Vice Presidents.
- To specify rules of the performance evaluation of President, Senior Executive Vice Presidents, and Executive Vice Presidents as a supplement to annual remuneration consideration.
- To consider the selection and screening of people who are qualified for being appointed as Directors, members of sub-committees, President, Senior Executive Vice Presidents, and Executive Vice Presidents in order to ask for approval of the Board of Directors or shareholders (as the case may be).
- To recommend the annual remuneration of Directors, members of sub-committees, President, Senior Executive Vice Presidents, and Executive Vice Presidents as forms and rules of the remuneration as specified.
- To review the policy, forms, and rules of the Compensation and Nomination of Directors, members of sub-committees, President, Senior Executive Vice Presidents, and Executive Vice Presidents so that they are suitable for duties and responsibilities, and in harmony with market conditions.
- To follow up and supervise the Company so that a succession plan and continuity of appropriate management of top executives and key positions is regularly updated.
- To follow up and supervise a policy on employees' remuneration to be fair, competitive in the market, and able to maintain quality and potential employees.

Meetings of the Compensation and Nomination Committee

- The committee has to arrange at least 2 meetings per year.
- No less than half of the number of the committee's members has to attend each meeting. Also, Chairman has to attend each meeting. In case the Chairman cannot attend the meeting, the rest of the committee's members are allowed to propose one of Independent Directors to be appointed to chair such meeting.
- A meeting's resolution is passed by a majority of members specified by a quorum. Members and stakeholders will not attend a meeting for considering or adopting a resolution in which they are involved.
- A meeting's supporting documents have to submitted to the committee 7 days in advance.
- A draft of minutes has to submitted to the committee in order to be checked within 14 days after the meeting.

Reporting

- Results of performance according to the scope stipulated by the charter have to reported the Board of Directors after the meeting every time as well as a summary in the annual report.

Disclosure

- The committee has to report and propose the remuneration paid each year of members to shareholders for their acknowledgement.
- To disclose duties and responsibilities of the committee.
- To disclose a number of organized meetings and a number of meetings which each member attends.
- To disclose forms or categories of the remuneration of members.

Tenure of the Compensation and Nomination Committee

The chairman and the members of the Compensation and Nomination Committee shall have the same tenure as the Board of Directors' tenure.

5) The Good Corporate Governance Committee

List of the Good Corporate Governance Committee, its Secretary and their positions are as follows:

Name		Position
1) Mr. Banterng	Tantivit	Chairman of the Good Corporate Governance Committee
2) Mr. Suphadej	Poonpipat	Member of the Good Corporate Governance Committee
3) Mr. Kasama	Punyagupta	Member of the Good Corporate Governance Committee
4) Mr. Pracha	Jaidee	Member of the Good Corporate Governance Committee
5) Mr. Suwit	Rojanavanich	Member of the Good Corporate Governance Committee
6) Ms. Panit	Pulsirivong	Member of the Good Corporate Governance Committee
7) Mr. Piyaphong	Artmangkorn	Member of the Good Corporate Governance Committee
8) Mr. Suvait	Theeravachirakul	Member of the Good Corporate Governance Committee
9) Mr. Hatchapong	Phokai	Member of the Good Corporate Governance Committee
10) Mr. Atipon	Tantivit	Member of the Good Corporate Governance Committee
11) Ms. Chonlada	Ngamnikulchalin	Secretary of the Good Corporate Governance Committee

For the year 2020, the number of meetings held by the Company's Good Corporate Governance Committee amounted to 1 meeting.

Scope of Performance of the Good Corporate Governance Committee

To regulate operations of the Company and performance of executives and employees in compliance with the policy on Good Corporate Governance.

Duties and Responsibilities of the Good Corporate Governance Committee

1. To consider and review the policy on Good Corporate Governance and a code of conduct for corporate governance appropriate for the Company and conformed to international standards of Good Corporate Governance which comply with relevant law, rules, and regulations.
2. To regulate and provide consulting in order to follow the policy on Good Corporate Governance.
3. To regulate and reexamine the internal audit related to measures against corruption.

Tenure of the Good Corporate Governance Committee

The Chairman and the members of the Good Corporate Governance Committee shall have the same tenure as the Board of Directors' tenure.

6) Company Secretary and the Company's Compliance Supervisor

On 1st November 2020, the Company has appointed Ms. Chonlada Ngamnikulchalin, to act as Company Secretary of MBK in accordance with the Securities and Exchange Act and the Good Corporate Governance practices of listed companies concerning the Responsibility of Directors, having the responsibility relating to the convening of meetings and the preparation and safe-keeping of documents, such as the register of directors, the notices for the convening of the meeting of the Board of Directors, the minutes of the meetings of the Board of Directors, the annual report of the Company, the notices for the convening of the meetings of the shareholders of the Company, the minutes of the meetings of the shareholders, and the report on the fact and the nature of conflicting of interests of the directors/executives, and the giving of recommendations, information/various regulations in respect of which the directors must have knowledge and compliance, and the attending to the various activities of the directors to enable them to discharge their duty efficiently and in the manner most beneficial to the Company.

Moreover, Ms. Chonlada Ngamnikulchalin also holds the position of Senior Vice President of the Compliance Department to supervise and ensure that the Company's performance is in accordance with the regulations of The Stock Exchange of Thailand, the Securities and Exchange Commission, and other related regulators.

In addition, in 2020, the Company's secretary had training regarding to duties as a Company's secretary as follows:

Course	Institute	Date of Training
Fundamentals for Corporate Secretaries	Thai Listed Companies Association (TLCA)	3 rd - 5 th November, 2020
Company Secretary Program (CSP) Class 114/2020	Thai Institute of Directors Association (IOD)	30 th November – 1 st December, 2020

7) The Executive Management

Name		Position
1) Mr. Suvait	Theeravachirakul	CEO and President and Managing Director, Financial Business
2) Mr. Pongsak	Sabdasen	Senior Executive Vice President, President Office
3) Mr. Kasemsuk	Chongmankhong	Managing Director, Golf Business, Managing Director, Other Business Managing Director, Corporate Supporting Center, and Senior Executive Vice President, Finance & Administration Division
4) Ms. Yupapun	Paritranun	Senior Executive Vice President, Internal Audit Division
5) Mr. Somphol	Tripopnart	Managing Director, Shopping Center Business
6) Mr. Apichat	Kamoltham	Senior Executive Vice President, Legal Division
7) Mr. Satit	Saisorn	Senior Executive Vice President, Operation Division
8) Mr. Wisarn	Sipiyarak	Senior Executive Vice President, Leasing and Tenant Relations Management Division and Acting Senior Executive Vice President, Marketing Division
9) Ms. Chaninchorn	Predeeprompan	Senior Executive Vice President, Human Resources Division
10) Mr. Sakchai	Suthipipat	Executive Vice President, President Office

Note:

1. Mr. Wisarn Sipiyarak has held a position of Senior Executive Vice President, Leasing and Tenant Relations Management Division, since 17th February 2020 and appointed into Acting Senior Executive Vice President, Marketing Division on August 18, 2020.
2. Ms. Chaninchorn Predeeprompan has held a position of Senior Executive Vice President, Human Resources Division, since 1st April 2020.

Duties and responsibility of the CEO are as follows:

1. To regulate the operations of the Company's and its subsidiaries to be in line with the vision, missions, the committee policies, shareholders' resolution, regulations and objectives of the Company; for the highest efficiency and legitimacy of the Company's and its subsidiaries' business operations.
2. To manage and supervise the general administration of the Company and its subsidiaries in order to ensure that it is in line with the objectives, policies, rules and regulations of the Company as well as to monitor the performance of the management in order to report overall operations and performance of the Company's and its subsidiaries to the Board of Directors at all time.
3. To determine a policy on human resource management and encourage the operations of every department to be in line with the guidelines that the Board of Directors has established in order to develop and fully use the potential effectively.
4. To give advice and hand down the experience in business operations to the executives and staff for the benefits of the Company and its subsidiaries' business operations.
5. To manage finance of the Company and its subsidiaries and efficiently spend budget for the highest benefit.
6. To perform other assigned tasks according to resolutions approved by the Company's and its subsidiaries' Board of Directors Meeting and/or the shareholders' meeting; under the objectives, rules and related laws.

(2) Nomination of Directors and Top Executives

The Nomination of Directors

In relation to selecting the candidates appointed or to be appointed as the Company's Directors, the candidates are elected by the Compensation and Nomination Committee according to the specified Directors' qualifications that should be in accordance with the Company's Strategy in operating business. The mechanism which the Company appoints its Directors is specified in the Company's Articles of Association which details are as follows:

1. The number of the Company's Directors shall be determined by the shareholders' approval at their meeting, provided that the number is not less than five. The Directors may hold shares in the Company. However, at least half of the member of the Board of Directors must be residents in Thailand.
2. The Directors shall be appointed at the shareholders' meeting in line with the rules and mechanism as follows:
 - 2.1 Each shareholder shall have one vote for each of the shares held. (Each share entitles the holder to one vote.)
 - 2.2 The Directors may be appointed by casting votes for each Director or a number of Directors at the same time or by any other procedures as the shareholders' meeting deems appropriate, provided that, at each voting, the shareholders shall cast all their votes in Item 2.1 without allocating some of their votes to any particular Directors.
 - 2.3 The persons in order of the votes received, starting from the one with the highest votes, shall be appointed to fill the vacant directorships. In an event that the persons appointed to fill the remaining vacant directorships receive the same number of votes (In case of ties), the Chairperson of the meeting shall cast the deciding vote.

The Company has defined qualifications for the Company's Directors as follows:

Qualifications for Company's Directors

- 1) To be fully qualified and not be prohibited according to:
 - Public Company Act
 - Securities and Exchange Act
 - Securities and Exchange Commission
 - The Stock Exchange of Thailand
 - The Company's Articles of Association
 - The Principles of the Company's Good Corporate Governance
- 2) To have knowledge, skills and experiences that is beneficial to the company's business.
- 3) To be dedicated to perform all the duties as assigned.

The Nomination of Top Executives

The nomination of President, Senior Executive Vice Presidents, and Executive Vice Presidents has to strictly comply with regulations stated in relevant law and regulatory agencies, and qualifications for knowledge and abilities which are appropriate to the organization's culture, vision, missions, and value are taken into consideration.

The nomination of President, Senior Executive Vice Presidents, and Executive Vice Presidents has to provide clear and transparent procedures and processes, follow the principles of the good corporate governance, and have accountability.

Moreover, in selecting candidates appointed or to be appointed as Executive Management, the Company stipulates rules and approaches to nomination by assigning the Compensation and Nomination Committee— together with the CEO and the President— to review the rules and approaches to the nomination.

(3) Additional information relating to the Directors and the Executives of the Company is as follows:

For the year 2020, no Director or Executive of the Company had any records of breaches of the law in respect of the following:

- 1) To be subject to a court judgment in respect of a criminal prosecution, except in the case of a prosecution arising from a traffic violation, petty offence, or any other similar offence;
- 2) To be adjudged a bankrupt person or placed under receivership in relation to his/her property;
- 3) To be an executive or a person nominating a company or partnership adjudged bankrupt or its asset being ordered to be placed under receivership;

Moreover, the Company and the subsidiaries appointed experts and executives from various departments to be in charge of considering and managing specific matters within the Company, ensuring that the matters were managed correctly, properly, efficiently, and effectively in the best interest of the Company. Committees and working groups were formed to promote employees at all levels to be participate in these committees and working groups in order to encourage the potential of the organization's personnel as follows:

Committee responsible for supervising and developing the MBK GROUP

1. The Human Resources Committee
2. The Rules Setting Committee of the Procurement of the Construction Projects
3. The Quality Management System Committee
 - 3.1 The Strategic Planning and Balance Scorecard Management Committee
 - 3.2 The Risk Management Committee
4. The Committee on Prevention against Tenants Causing Damage to the Shopping Center
5. The Committee of Thailand's Private Sector Collective Action Coalition against Corruption
6. The Space Design and Corporate Image Committee
7. The Business Continuity Planning Committee
8. The ISO 9000 Quality Management System Committee
9. The Thailand Quality Award Committee (TQA)
10. The Welfare Committee
11. The Safety, Occupational Health, and Work Environment Committee
12. The Committee on Scholarships for Employees
13. The Committee on Personal Data Protection
14. The Committee on MBK Center Individual KPIs
15. The Committee on Space Design of the Shopping Center
16. The Committee on Personal Data Management
17. The Committee on the Construction Project
18. The Committee of Taking Care of Impacts on the Society and Communities
19. The Committee on the Energy Management System— ISO 50001
20. The Food Safety Management Project Committee
21. The Service Development Committee
22. The Committee on the Consideration of Merits and Mistakes of employees
23. The Savings and Credit Cooperative Committee of the MBK GROUP
24. The Committee on the Provident Fund of MBK's employees (which is already registered.)
25. The Committee on the Consideration of Corruption
26. The Committee and the Working Group of the Project to Develop and Install the Back Office System in order to Replace AS/400
27. The Committee and the Working Group of Information System Development

28. The Committee and the Working Group of the Management and Quality Control over Services
29. The Committee and the Working Group of the Innovation
30. The Committee and the Working Group of Digital Transformation
31. The Committee and the Working Group of the Knowledge Management and Organizational Culture Development
32. The Committee and the Working Group of the System Development Project to Manage the Security by ISO/IEC 27001 Standards
33. The Committee and the Working Group of Community Relations
34. The Committee and the Working Group of the Application's Development of MBK Plus
35. The Sub-Committee on Reviewing the Rental of the Shopping Center
36. The Working Group of the Accounting System and Accounting Standards Development
37. The Working Group of Centralization of Procurement System Development
38. The Working Group of the Development of the Good Relationship between Customers and Business groups
39. The Financial System Development Committee
40. The Engineering System Development Committee
41. The Working Group of Internal Quality Audit
42. TQA Application Report Working Team
43. The MBK Application Development Committee
44. The Working Group of Following Up Blueprints and Decoration of Rental Spaces of the Project
45. The Working Group of Energy Management
46. The Working Group of Digital Technology
47. The Working Group of e-Tax Invoice & e-Receipt System Development
48. The Working Group of the Office Spaces' Renovation Named Smart Office
49. The Customer Representatives to Nurture MBK's Service Values
50. The Committee of Evaluators for Intraorganizational Energy Management
51. The Internal Audit of the Information Technology Security System by ISO IEC 27001 Standards

MBK's Committees that are responsible for taking care of stakeholders such as users of the services, lessees, creditors and debtors are as follows:

1. The Procurement Committee
2. The Assets Sales Committee

(4) Delegation of the Authority to act on behalf of the Company

The Company has put in place operational rules which provide details related to the exercise of the authority to approve transactions on behalf of the Company. The objective is to delegate the authority to the staff holding different positions and in charge of performing various duties. To make the performance of their duties more flexible and efficient, they are authorized to act on behalf of the Company within the scope of the authority specified by the Company. In this connection, the delegated authority is also subject to the Company's appropriate internal control system.

(5) Remunerations of Directors and Executives Management

5.1 Directors' Remunerations (1st January – 31st December 2020)

List of Name	Director Allowance (Baht)	Meeting Allowance (THB)					Total Remuneration (Baht)
		Board of Directors	Audit Committee	Executive Committee	Compensation And Nomination Committee	Gratuity (Baht)	
1. Mr. Banterng Tantivit	359,375.00	359,375.00				587,826.09	1,306,576.09
2. Mr. Suphadej Poonpipat	218,750.00	218,750.00		708,750.00	70,000.00	440,869.57	1,657,119.57
3. Professor Paichitr Rojanavanich						146,956.53	146,956.53
4. Mr. Kasama Punyagupta	181,250.00	152,250.00	551,250.00			293,913.04	1,178,663.04
5. Mr. Pracha Jaidee	181,250.00	181,250.00	275,625.00		35,000.00	293,913.04	967,038.04
6. Mr. Suwit Rojanavanich	181,250.00	181,250.00	275,625.00			146,956.53	785,081.53
7. Ms. Panit Pulsirivong	181,250.00	181,250.00			35,000.00	293,913.04	691,413.04
8. Mr. Piyaphong Artmangkorn	181,250.00	181,250.00		236,250.00		293,913.04	892,663.04
9. Mr. Suwait Theeravachirakul	181,250.00	181,250.00				293,913.04	656,413.04
10. Mr. Hatchapong Phokai	181,250.00	181,250.00				293,913.04	656,413.04
11. Mr. Atipon Tantivit	181,250.00	181,250.00		236,250.00		293,913.04	892,663.04
Total	2,028,125.00	1,999,125.00	1,102,500.00	1,181,250.00	140,000.00	3,380,000.00	9,831,000.00

Remark: Because bonuses for the Directors for 2019 would be paid as approved by the General Meeting of Shareholders 2020, therefore, such bonuses included remunerations of Professor Paichitr Rojanavanich, who held the position of Director until 30th June 2019.

The comparison of Directors' remunerations from 2016 – 2020

Remunerations	1 st January 2016 – 31 st December 2016		1 st January 2017 – 31 st December 2017		1 st January 2018 – 31 st December 2018		1 st January 2019 – 31 st December 2019		1 st January 2020 – 31 st December 2020	
	Number (persons)	Amount (Baht)	Number (persons)	Amount (Baht)	Number (persons)	Amount (Baht)	Number (persons)	Amount (Baht)	Number (persons)	Amount (Baht)
Meeting Allowances	10	10,525,000.00	10	11,756,000.00	11	12,116,000.00	11	12,309,000.00	10	6,451,000.00
Directors' Commissions	10	10,398,591.55	10	11,200,000.00	11	11,900,000.00	11	12,700,000.00	11	3,380,000.00
Total		20,923,591.55		22,956,000.00		24,016,000.00		25,009,000.00		9,831,000.00

5.2 Other Remunerations

At an Annual General Meeting of Shareholders 2020 held on 5th August 2020 a resolution on other remunerations (To receive services from the Group's businesses, provided for Directors only. These services cannot be redeemed for cash such as the Hotel and Tourism Business and the Golf Business.), for the Board of Directors, the Executive Committee, the Audit Committee, and the Compensation and Nomination Committee was approved, as the equivalent of 1,600,000 Baht.

5.3 The Directors' Remunerations as the Directors of the Subsidiary (MBK Resort Public Co., Ltd.)

List of Name	Director Allowance (Baht)	Meeting Allowance (Baht) Board of Directors	Audit Committee	Gratuity (Baht)	Total Remuneration (Baht)
1. Mr. Banterng Tantivit	144,000.00	132,000.00		57,142.84	333,142.84
2. Mr. Suphadej Poonpipat	72,000.00	60,000.00		28,571.43	160,571.43
3. Mr. Suwait Theeravachirakul	72,000.00	66,000.00		28,571.43	166,571.43
4. Mr. Hatchapong Phokai	72,000.00	66,000.00		28,571.43	166,571.43
5. Mr. Pracha Jaidee	72,000.00	66,000.00	24,000.00	28,571.43	190,571.43
Total	432,000.00	390,000.00	24,000.00	171,428.56	1,017,428.56

5.4 Remunerations of the Executive Management (1st January – 31st December 2020)

Executive Management	Number (persons)	Amount (Million Baht)
Executive Management	10	57.58

The Comparison of the Remunerations of the Executives Management from 2019 to 2020

Details	1 st January 2019 – 31 st December 2019		1 st January 2020 – 31 st December 2020	
	Number (persons)	Amount (Million Baht)	Number (persons)	Amount (Million Baht)
Remunerations of Top Executives (Level 17-19)	10	84.80	10	57.58

(6) Human Resources

6.1A Number of Employees

As of 31st December 2020, MBK Public Company Limited employed a total of 539 employees, consisting of the President, Senior Executive Vice Presidents, and Executive Vice Presidents total 10 people and 529 employees. Also, it included 394 employees of MBK Smart Force Security Guard Co., Ltd. A number of employees in each department is as follows:

Division	Number of Employees (person)*				
	1 st January 2016 - 31 st December 2016	1 st January 2017 - 31 st December 2017	1 st January 2018 - 31 st December 2018	1 st January 2019 - 31 st December 2019	1 st January 2020 - 31 st December 2020
1. President Office	59	55	57	60	64
2. Legal Division	20	21	22	23	22
3. Business Development Division	25	25	23	22	23
4. Finance & Administration Division	107	109	110	112	113
5. Internal Audit Division	27	25	26	28	27
6. Marketing Division	90	83	88	85	86
7. Operation Division	151	160	171	173	163
8. Leasing and Tenant Relations Management Division	31	30	36	36	34
9. Human Resources Division	28	28	31	39	38
10. MBK Smart Force Security Guard Co., Ltd.	172	168	184	247	297

Note: A number of employees are calculated from the average of employees in each year.

6.2 Remunerations of Employees (Excluding the President and the Executive Management)

Details	1 st January 2019 to 31 st December 2019 (Baht)	1 st January 2020 to 31 st December 2020 (Baht)
Remunerations of Employees (MBK)	442,488,084.70	399,931,954.92
Remunerations of Employees (MBK-SF)	69,010,107.98	75,428,517.26

Remark: Remunerations are salaries, bonuses, overtime pay, retirement pensions, travelling expenses, etc.

6.3 Other Remunerations

The Company has provided for other remunerations and welfare benefits in addition to salaries, such as bonuses, savings and credit cooperative, working in the upcountry expenses, OT expenses, uniform expenses, provident funds, medical treatment costs, group insurance, social security and yearly check-ups.

The Company has established the provident fund entitled “MBK GROUP Staff Provident Fund” on 1st July 1992. Under the terms and conditions specified in the Provident Fund, the Company agrees to make its subsidies and the employees who are members of the Provident Fund also agree to make their contributions, the details of which are as follows:

Saving Rate of Employees	Subsidy Rate of the Company		Payments from the Fund	
	Years of Membership	Subsidy Rate	Years of Membership	Subsidy and Benefits (%)
- A member can choose to contribute more than 5%, but not exceed 15% of his/her wage, to the provident fund.	Membership Commencement	5%		
	2 years –less than 4 years	” 6%	Less than 1 year	0
	4 years- less than 6 years	” 7%	1 year–less than 3 years	30
	6 years- less than 8 years	” 8%	3 years–less than 5 years	50
	8 years-less than 10 years	” 9%	5 years- less than 7 years	70
	10 years or more	” 10%	7 years or more	100

Remark: According to the announcement of the Ministry of Finance, issued on 29th April 2020 concerning “The Classification of business types, terms, and conditions allowing employees or employers to stop or postpone funding savings or defined contributions to the provident fund in areas affected by financial crises, public danger, or any incidents impacting economic situations”. The Committee’s meeting, on 5th October 2020, approved the unanimous resolution allowing MBK Public Company Limited to stop funding savings and defined contributions to the provident fund from October to December, 2020.

6.4 The Human Resources and the Organizational Development

The Company is well aware that each employee is a valuable resource in helping the Company to achieve its goals or vision and enhancing it into a leading company with sustainable growth. Therefore, the Company has adopted a policy to develop human resources for all levels of employees. The objectives of this policy are to increase the efficiency of human resources in skills, knowledge, competency, attitude and good working behavior in their field of work. The career path will encourage each individual to learn, do research and continuously share their experiences. These management and development courses such as developing the Human Resource Management System, training, giving scholarships to study in bachelor/ master levels, both domestic and international work field trips, employees and executives’ development plans in order to carry on important position in the Company, performance management, building relationships of personnel and developing the Company to be the learning organization. These will lead the staff and Executive into topmost professionals.

6.4.1 The Development of the Human Resource Management System

6.4.1.1 To Use the Human Resource Information System (HRIS) Humatrix7 Nowadays, there are 2 systems of HRIS— People Soft used for MBK Public Co., Ltd. and Humatrix7 used for the subsidiaries, which is the system with functions that fully support a management process in human resources such as a recruitment system of personnel, an employment system, a salary system, a time record system, a leave of absence system, a performance management system, succession management and progress in the career path system. Moreover, this program allowed the manager of each division and the employees to enter into the data and use the system for the management (Self Service). It can also be connected to a working system of other divisions, such as the Enterprise Resources Planning (ERP), and the Intranet-based Data System of Employees. This will enhance the efficiency in performance and improving the human resource management system into a higher level as well as enhance the level of satisfaction of employees and any related individuals.

6.4.1.2 To Use the Internal Application Online in order to improve the efficiency of Human Resources in the digital era by focusing on Outside-In performance. Then, the communication channel for the employees through intranet system in the organization called “Yeah Application” was developed. The employees who use services can have access to personnel management systems. Its various functions include channels of public relations, information, activities, regulations, announcements, data searching for employees, links to applications such as Humatrix7, Postcard, and Chatbot, messages of congratulations on birthday wishes and work anniversary wishes, and the Point and Reward System, for example.

6.4.2 To Strengthen and Develop the Personnel Competency

6.4.2.1 To Develop the Competency Model The Company employs the **Competency Model to be used for the Human Resources Performance**. In 2020, the Human Resources Division developed 2 types of the competencies as follows:

- The Managerial Competency to increase skills in management responding to business operations and harmonizing with trends in digital skills for the organization’s executives in order to lead the organization to be modern and flexibly adapted to changing situations as well as increasing competitive advantage in terms of business.
- The Functional Competency, in cooperation with subsidiaries, to upgrade the quality of the personnel’s job-based performance to be updated and meet the organization’s needs more as well as preparing the personnel to satisfy the business needs of today and tomorrow, including efficiently responding to the Company’s change.

Also, the improved functional competency was applied to the human resource management system. For example, the employees’ recruitment and selection, training, non-classroom training, career development, high potential management programs, succession planning, and performance evaluation.

6.4.2.2 The Career Path The Company has utilized the competencies to further the career development in order to create career models of various types of the job family, both for within the same job family and across the job families, resulting in the personnel competency development’s clear goals and responses to both business demands and employees’ career development. In 2020, the Company communicated principles of the career path development, promotion criteria, and success in the career path development of MBK’s employees and executives in order to be guidelines on the career path development for the employees.

6.4.2.3 Training and Development From the outbreaks of the Corona Virus 2019 (COVID-19) in 2020, the business operations were affected. The Company had to change its directions of taking care of and enhancing the personnel’s abilities to be consistent with occurred crises by focusing on the personnel’s learning development according to 70:20:10 and specifying 4 development courses— knowledge of administration, knowledge of management, specific knowledge of job families, and the development of leadership. It is viewed that the development is one of key elements to increase the efficiency of the Company’s personnel by focusing on developing employees at every level to have competencies beyond standards and can compete with other leading companies in the business as well as having abilities to develop the organization aiming to be the continuously developed and sustainable organization. The Company has set an Individual Development Plan (IDP) on a competency basis in order to develop each individual for organizing training needs and the annual personnel development plan.

In 2020, the Company selected and developed both internal and external training courses, emphasizing the response to strategic objectives; and the development of core competency, managerial competency, and functional competency as it follows:

6.4.2.3.1 MBK Core Course Basic knowledge courses for every employees which are the work's system course, the stipulated law course, and the course on the organization's cultural development which emphasizes the reinforcement of desired behavior and attitudes according to the 'MBKYES' ideology as well as promoting and supporting the Company's business ethics. The Company provides training in Good Corporate Governance and Collective Action Coalition Against Corruption which their contents emphasize a code of ethics regarding stakeholders and employees' code of conduct regarding themselves and their colleagues, their company, their customers, and the society. This core course is a compulsory course which every employee has to attend annually, including courses which lead to achieve the organization's missions and response to the organization's business plans provided for new employees and current employees to have continuous training.

6.4.2.3.2 The Managerial Course The Managerial Course is arranged to increase knowledge and managerial skills for a position as a manager upward in order that they can manage their work performance, their teams, and the organization; and can be efficient change leaders. According to the managerial competency, the course can be divided into 3 categories as follows:

- 1) The Leader of Change
- 2) Decisiveness
- 3) People Development.

In 2020, the Company developed its online learning-based course, in collaboration with standardized external learning institutions, by co-creating an individual learning track which was blended learning of a classroom learning type with the interaction between an instructor and learners, an online learning type with the flexibility of individual self-learning when readiness, and a social learning type with an opening chance of the interchange of experiences between learners and guest speakers as well as their classmates from other organizations. Such learning types emphasized knowledge development of the core and managerial competencies and the digital transformation. Moreover, the Company promoted top executives to build up a network with personnel and organizations as alliances for the sake of exchanging useful information about business operations as well.

6.4.2.3.3 The Functional Course The Functional Course is provided in order to develop abilities for specific work according to the scope of functions by focusing on providing knowledge which employees have to take responsibility for their own job-based performance by means of various development types such as training, on-the-job training (OJT), coaching, and knowledge sharing.

The Company particularly attaches significance to the evaluation of the effectiveness and the efficiency of the learning system as well as the development of training courses which support strategic objectives and summaries of the development and learning so that they can be information prepared for the strategic planning next year.

6.4.2.3.4 The Digital Course is provided in order to prepare employees at every level to have digital knowledge and skills, leading to the organization's change to modernity which responds to rapidly changing business operations in the future. In 2020, digital-related courses— such as Digital Transformations, and Personal Data Protection Act— were provided.

Moreover, various methods of employee development have been improved in order to support changing learning behavior of the employees. Various training courses are improved by adding an E-Learning method so that every employee can learn everywhere, every time, through technological devices such as computers, tablets, or mobile phones, in order to emphasize the employees' learning development continuously and to stimulate the employees to learn by themselves more. In 2020, there were 12 E-Learning courses in order to develop knowledge and skills necessary for business operations and the promotion of the organization's efficiency, which adaptation to current situations was taken into consideration such as the course on risk rating for the accreditation of the Collective Action Coalition Against Corruption Project, the course on Just Right Beyond COVID-19, and the course on Personal Data Protection (Act: PDPA).

6.4.2.3.5 The Quality of Life Course

The Quality of Life Course is a training course provided for employees inside the organization in order to enhance the quality of life in various aspects so that they can take care of their health and financial management such as a course on office syndrome— a set of physical conditions of employees working at office, a course on regulations of credit unions, and a course on a clinic on debt clearing. The contents of the training emphasize the employees to realize the importance of saving money, debt management, and building good financial discipline.

6.4.2.3.6 The Scholarships

The Company has adopted a strong will to support employees to increase their knowledge and abilities, and develop their potential, and want to study further by providing scholarships for junior high school, senior high school, bachelor's and master's degrees in order to increase opportunities for employees to self-develop to have progress and succeed in their career path.

6.4.3 The Preparedness of the Personnel

6.4.3.1 The High Potential Management and the Succession Plan,

The Company has prepared the readiness of the employees to meet the present and future's demands in order to support the business expansion by establishing the High Potential Management Program (HIPO) Project, making the Succession Planning for top executives and Individual Development Plans for employees, which are considered from functional, core and managerial competencies that suits with the present and future responsibilities.

In 2020, an individual development plan was made. The Company prepared to cope with business expansion. Then, the Company developed career advances for high potential and outstanding abilities of personnel from operators to top executives, for a total number of 147 people which was divided into 130 high potential employees (HIPO) and 17 successors. Each employee in such project was determined to develop his/her own Individual Career Development Plan (ICDP) by employing the guidelines on 70:20:10 personnel development. It was found that in the previous year, the top three courses which the personnel wanted for self-development were leadership, thinking and analysis, and knowledge on specific work. As well, individual personnel advances in his/her own development plan were followed up in order that the personnel who participated in such project had development as determined.

6.4.3.2 The Performance Management,

The Company aims at executives and employees of all levels to be involved in and sets the organization's direction and expected results by brainstorming ideas, specifying goals, Key Performance Indicators (KPIs) and action plans at the organizational level, department level and divisional level, and individual level. This is to ensure that the performance and success of employees will be part of the success of the organization.

The performance evaluation is set once a year, the Company applies the assessment to the core competency, functional competency, managerial competency, results measured by Key Performance Indicators (KPIs) and time attendance in order to manage the performance so that planning to improve the efficiency of the performance and employees' competency can be continuously improved.

6.4.4 The Employee Engagement

The Company is well aware that "the personnel" are important resources which will lead the organization to be successful according to its set goals. To encourage the employee engagement is one important factor in exerting and dedicating oneself to work and having a feeling of ownership or participation. This will help the Company reach its goals. The Company has guidelines on improving the level of the engagement of the organization's personnel which helps build the participation, happiness with work, pride in be part of the organization, building the commitment to the organization in the long term through activities continuously, taking care of the Quality of Work Life (QWL), as well as encouraging the employees to be part in specifying benefits through the Welfare Committee. The Savings and Credit Union and the provident fund are also established in order to make a financial plan through saving for the sake of The employees' security.

6.4.5 The Development of the Knowledge Management and Organizational Culture,

The Company places significance to the development and the encouragement to behavior conforming to the organization's vision and its goal of sustainable growth by establishing the Committee and the working group of the knowledge management and the encouragement of the organizational culture. The Committee and the working group as representatives of top executives from different units are the ones who set the policy together as well as encouraging the employees to have their own participation in order to build awareness and promote desired behavior as follows:

6.4.5.1 The organizational culture called "MBKYES"

MBKYES is the behavior which everyone in the organization holds to as common guidelines and has an impact on the employees' behavior. This is considered as a standard for achieving the organization's goal. The organizational culture "MBKYES" as follows:

MODERN	To be updated and modern in thinking and actions. To have a positive attitude. To understand technology and changing behavior all the time. To be adaptative. Not to stop improvement. To know competitors' tricks and to be ready for coping with changes in the future through accumulating knowledge and skills in order to drive the organization to be always modern and make business progress in advance.
BELIEF	To make oneself reliable and trustworthy and to receive customers' confidence from both inside and outside the organization by the system and the working culture which sticks to transparency, moral principles and ethics, honesty, sincerity, keeping promises, having responsibility for oneself, stakeholders, and the organization, as well as anti-corruption in all forms so that customers feel professionalism at work.
KEYS	To always offer options or alternatives as various answers for customers through the procurement of products and services in order to respond to cover all target groups— both internal customers (colleagues) and external customers (business alliances), and to be able to solve problems according to occurred situations for the customers accurately, rapidly, and to most satisfy the customers.
YOU	To understand real needs of both internal and external customers by holding to customer-centric base as the first priority through care, attention to detail, listening, learning of the customers' changing behavior and needs. Even down to the smallest detail, it has to attach importance to response to each customer exactly by building customer lifetime value as well as attaching importance to benefits which the customers and the organization mutually gain in order to develop and drive the organization to be always number one in the customers' heart.
EASY-GOING	To build a good relationship with customers and colleagues in a friendly way. To be accessible or get in touch easily, simply, conveniently, rapidly, and accurately. To provide friendly environment and atmosphere in the workplace. To have a good attitude and feeling mutually until impression and sustainable friendship is built.
STYLE	To have thoughts which are proactive and different from competitors. To be able to develop working types, products, services, and the personnel in the organization creatively, uniquely, and outstandingly until the customers remember and always think of our organization before others.

6.4.5.2 A D S C: The Managerial Competencies which Executives Have to Possess

In 2020, the Company improved the managerial competencies for executives in order to conform to the organization's vision and strategies as well as changing external environment, by emphasizing that the executives additionally held to these competencies, apart from MBKYES, by setting A D S C value as follows:

Agility	Skills in understanding challenges of the change. To be able to apply experience learning with speed and flexibility. To be in readiness for coping with changing situations or under various working circumstances in order that performance of oneself, teams, and the organization runs smoothly.
Digital Innovation	Skills in applying digital technology and creative thinking for management and solving problems which catch up with changes and customers' needs. To be able to learn, develop new things, combine data with technology in order to create innovations rapidly and increase business competitive advantage.
Systematic Decision Making	Skills in systematic decision making. To be able to analyze and assess data in order to make rational decisions according to problems' true roots. To offer alternatives conforming to the organization's vision, goals, and strategies, in order to find solutions and prevention of problems in the long term.
Coaching & Developing Others	Skills in persuasion so that the personnel are enthusiastic about learning and self-development. To change work's methods or systems continuously. To be able to communicate and pass on knowledge to the personnel through job training in order to develop the personnel to have performance and growth as expected by the organization.

In addition, the Company has realized the importance of developing the personnel to become good citizens and participate in developing and helping the society, communities, and the environment (Corporate Social Responsibility) on the basis of the Good Corporate Governance, as a framework to which the executives and the employees adhere.

6.4.5.3 Knowledge Management (KM)

The Company has used the Knowledge Management (KM) system as one of strategies, focusing on learning and developing of the personnel to be in time with the expanding of business and to become the Learning Organization (LO). In 2020, the Company focused on the systematic knowledge management structure through Knowledge Mapping for identifying key knowledge topics according to the work system and prioritizing the urgency in order to be used as data for the knowledge management within the organization. As well, Knowledge Capture from retirees for the first year was begun to be collected, decoded, and provided on KM Website. In 2020, statistics for users increased more than 50%, compared with 2019. Moreover, activities were organized in order to promote learning behavior and share daily life knowledge such as lessons from books, movies, or work experiences through the activity called "Learn & Share", which more than 300 topics were shared among executives and operators.

GOOD CORPORATE GOVERNANCE

The Company's Board of Directors has placed strong emphasis on making the Company's business management appropriate, transparent, fair and accountable. The Company has established a Corporate Governance Code "CG Code" for listed companies 2017 by the Securities and Exchange Commission and Thai Institute of Directors. The Company's Board of Directors has formulated the policy on Good Corporate Governance according to rules of the assessment of Good Corporate Governance in order to achieve goals of the stability of business and the society as well as the creation of maximum value for shareholders so that it brings benefits for every group of stakeholders. Also, they will be guidelines for the committee, executives, and employees to follow as stated by relevant law, rules, and regulations.

In 2003, the Company established a Good Corporate Governance policy which was in line with the Good Corporate Governance promoted by the Stock Exchange of Thailand. The Company also prepared a manual of business ethics and a code of conduct for directors, executives and staff.

The Company provides a manual of its Good Corporate Governance policy and code of business conduct of MBK Public Company Limited. The contents include the Good Corporate Governance policy, the code of business conduct, the code of ethics for directors and executives, and the code of ethics for employees by reviewing the Company's Good Corporate Governance policy and code of business conduct annually. They are given to all directors, executives and employees for their acknowledgment, sign-off, training and practice. The information, knowledge and the related news on the Good Corporate Governance are also distributed to the executives and employees regularly through the Company's internet and website. The orientation activities organized for new executives and employees also cover the topics on Corporate Governance as well as the code of ethics for executives and the code of ethics for employees for their information and practice guidelines.

The Board of Directors have adopted and applied Good Corporate Governance and developed mechanisms to regulate the performance, the organization's decision making and risk management in order to achieve the goal to make profits in the long term and create value to the business sustainably. This will benefit the Company, shareholders, stakeholders, and interested parties.

Moreover, when the Company expands their investments in various areas of businesses, it applies the principles of Good Corporate Governance to the business operations of subsidiaries. The Company's Board of Directors is mainly determined to conduct all the Company's business affairs in an appropriate, transparent and fair manner. The adherence to the principles of Good Corporate Governance will not only enhance the confidence of all concerned, including its shareholders and stakeholders, but also will add value to the Company in the long term.

In 2020, the Board of Directors operated the Good Corporate Governance as follows:

1. The Board of Directors reviewed the policy on Good Corporate Governance, the manual of business ethics, the code of conduct for directors, executives, and employees through improving and completing them so that they were complete, clear, and consistent with guidelines and rules of ASEAN CG Scorecard of the CGR project by Thai Institute of Directors and align with the anti-corruption policy.
2. To regulate the Company's 8 business groups to operate in accordance with the principles of "Good Corporate Governance", providing the action plan GCG in order to be consistent with issues proposed for criteria-specified improvement by the Internal Audit Division.
3. To provide training in the policy on the Good Corporate Governance, the policy and practice guidelines on anti-corruption, and business ethics to executives and employees of MBK GROUP.
4. To determine that all executives and employees annually take a test on rules, regulations, the policy and guidelines on anti-corruption, through the Company's intranet system in order to ensure that all executives and employees have knowledge and understanding. Also, the knowledge and understanding can be used in work performance properly. Test results are used to assess the employees' level of knowledge and understanding in order to improve the communication so that the employees have thoroughly understanding and realize their duties to encourage the good corporate governance of the organization.
5. To promote and communicate the Good Corporate Governance and anti-corruption guidelines for MBK GROUP's employees continuously.
6. To communicate with business partners, customers, and business agents in acknowledge as well as asking for cooperation to support a campaign against corruption by

refraining from give presents to executives or employees, regardless of festivals or occasions, through electronic mails and websites.

7. To set up the policy for MBK's subsidiaries to announce their will to participate in anti-corruption of Thai private sector.

By virtue of the Company's determination, emphasis on business operations, continuously holding to principles of the Good Corporate Governance, and regularly developing the Good Corporate Governance to be efficient and appropriate to the Company, therefore, the Company has been evaluated and awarded by organizations as follows:

- The assessment of the Good Corporate Governance of Thai listed companies

From the assessment of the good corporate governance of Thai listed companies, the Company has been ranked as 'Excellent or 5 stars' for 5 consecutive years since 2016. In 2020, the Company was one of 240 companies which were assessed as 'Excellent or 5 stars' from a survey of all 692 companies which were assessed by Thai Institute of Directors Association (IOD).

- The Annual General Meeting Checklist 2020

The Company has emphasized and improved the quality of the annual general meeting regularly and continuously. From the Annual General Meeting Checklist (AGM Checklist),

assessed by Thai Investors Association, the Company got 100 marks (full marks) as its 9th consecutive year since 2012.

The Corporate Governance policy of MBK Public Co., Ltd. covers the following practices:

- 1) The rights of shareholders
- 2) The equitable treatment of shareholders
- 3) The consideration of roles of stakeholders which consist of customers, business partners, competitors, creditors, employees, the society, communities, and the environment.
- 4) The disclosure of information and transparency
- 5) The responsibilities of the Board of Directors which consists of as follows:
 - 5.1 The structure of the Board of Directors
 - 5.2 Independence of Directors
 - 5.3 Roles and responsibilities of Directors
 - 5.4 Tenure of Directors
 - 5.5 The specific Committees
 - 5.6 The meeting of Directors
 - 5.7 Separation of duties between the Board of Directors and the Management Team
 - 5.8 Training and development of Directors
 - 5.9 Self-assessment of the Board of Directors
 - 5.10 Leadership and vision

5.11 The Company Secretary and the Company's Compliance Supervisor

5.12 Succession plan

5.13 Remuneration of Directors and Senior Executives

- 6) Internal control and risk management.
- 7) Anti-corruption
- 8) Business ethics.
- 9) Conflicts of interest which include the supervision of use of inside information.
- 10). Discipline review

The Company's code of business conduct, code of ethics for directors and executives and code of ethics for employees cover the following practices and behaviors:

1. In the conduct of the Company's business affairs, the directors, executives and employees are required to comply with all the laws, rules and regulations. The compliance is beneficial to the overall management systems.

2. The directors, executives and employees have responsibility towards the Company's shareholders and treat them in an honest and equitable manner. For the convenience of the shareholders, the Company puts in place channels for the shareholders to file their complaints and to obtain information about the Company.

3. The directors, executives and employees have responsibility towards the Company's customers and treat them in a fair and equitable manner. The directors, executives and employees establish good relationships with the customers and provide them with correct information in a timely manner and keep confidentiality of their information. The Company also puts in place procedures for the customers to file their complaints and to give their opinions or suggestions about the management.

4. In their conduct of business affairs, the directors, executives and employees show their responsibility towards the Company's trading partners, competitors, and officials by behaving in an appropriate, equitable and fair manner within the established framework, rules and regulations and without seeking undue benefits for themselves. The Company also puts in place procedures for the trading partners, competitors and officials to file their complaints and to give their opinions or suggestions about the management.

5. The directors, executives and employees show their responsibility towards the society, communities and environment by giving their assistance and cooperation to the state, communities, society environment and educational institutions within the constitutional framework. The Company puts in place management systems of occupational health, safety and environment in line with the legal requirements.

6. The Company has responsibility towards its employees and treats them fairly. The Company looks after their employees in areas of benefits, welfare, working environment, and safety at work. The Company encourages the employees to develop their knowledge and skills and to make progress in their careers. The Company puts in place procedures for the employees to file their complaints on various matters.

7. The Company encourages all employees to live corporate values and safeguard the organization, taking into account the interests of the organization or the public.

8. The directors, executives and employees are prohibited from abusing their authority in seeking information for their own benefits.

The key points related to the implementation of the corporate governance can be summarized as follows:

1. Rights of Shareholders

The Company realizes that each shareholder is the owner of the Company. As a result, it places emphasis on the appropriate maintenance of the shareholders' basic rights as stipulated by the law as well as other rights as deemed appropriate. These rights include, among others, the right to participate in the meetings of shareholders to be informed of the Company's performance and the right to receive a share of profit/dividends. The shareholders are provided with convenience to exercise their various rights such as proposal of agenda items, proposal of candidates for appointment as new directors, sending their questions about the Company prior to the shareholders' meetings, as well as the right to vote on agenda items under which a resolution needs to be adopted, with the understanding that the voting rights of all the shareholders will depend on the types of the shares they own. The Company has also established an investor relations unit responsible for providing the shareholders with the convenience to exercise their rights on various matters. Moreover, the Company has established the following policies in compliance with the principles of Good Corporate Governance.

1.1 Sending the Notice of the Meeting to the Shareholders

At the Annual General Shareholders Meeting, the Company has assigned Thailand Securities Depository Company Limited ("TSD"), as the securities registrar, to send the notice of meeting and related documents to the shareholders, both in Thai and English. The shareholders can use them at the shareholders meeting as supporting information in making vote decisions on various matters.

The notice of the meeting will clearly specify meeting agendas and objectives of the meeting for each agenda as well as the Board of Directors' opinions. Related documents such as annual report, financial statements, support document for each agenda and proxy statement, will be attached with the invitation letter. The notice of the meeting shall be sent to all shareholders listed in the shareholders' registration book. The notice should be sent on the day the Company announced the closing date of share transfer registration and should be sent 14 days in advance, as well as publish the notice of the meeting along with the mentioned meeting agenda on the Company's website not less than 30 days prior to the meeting. The purpose is to allow the shareholders to study the information before the actual meeting. This also includes continuously advertise the invitation notice on the Newspaper not less than 3 days before the meeting date to inform shareholders to prepare in advance before participating in the meeting, which is in accordance with the Public Limited Companies Act, B.E. 2535 (1992).

However, for the 2020 AGM meeting the Company sent an invitation letter to shareholders 21 days in advance and publish the invitation letter along with other relevant documents since 2nd July 2020 on the Company's website 34 days prior to the meeting. They were written in both Thai and English. The purpose was to enable the shareholders to study the information before the meeting. Taking into consideration the convenience of shareholders in attending the meeting, the Company fixed the appropriate date, time and place of meeting. In case any shareholders were unable to attend the meeting, they might appoint proxy holders to attend the meeting on their behalf and

might cast a vote in each agenda by using the proxy statement that the Company provided. Another channel for shareholders to participate in making decision or making any votes if they were unable to attend the shareholders agenda themselves, they might appoint two independent directors proposed by the Company as their proxy holders. In voting on various agenda items, one share was equal to one vote.

1.2 Setting the Annual General Meeting of Shareholders

The Company holds an Annual General Meeting of Shareholders within four months from the end of its accounting period. In case it is urgent for the shareholders to consider special agenda items, an Extraordinary General Meeting of Shareholders will be held. The special agenda items include matters that may affect the interests of the shareholders or those that are related to the conditions, rules, laws or articles that need approval by the meeting of shareholders.

In 2020, because of pandemics of Corona Virus 2019 (“COVID-19”)— which is a dangerous contagious disease according to Communicable Disease Act B.E. 2558— and their rapidly intensifying outbreaks in Thailand, a number of infected people drastically increased continuously and broader transmission. The public sector asked the private sector for cooperation to postpone any activities which a lot of people gathered in order to reduce transmission to a lot of people and might affect the management. The Company cared about hygiene and safety of the Meeting’s all attendees and participants as well as following the practice according to measures of Department of Disease Control, Ministry of Public Health and the public sector in order to prevent and reduce the transmission of such disease

and express the overall social responsibility. From reasons and necessities stated above, the Board of Directors’ Meeting No.4/63, on 1st April 2020, passed a resolution to postpone the Company’s Annual General Meeting of Shareholders 2020 from previously scheduled on 28th April 2020 to newly scheduled on 5th August 2020, at Chamchuree Ballroom, M Floor, Patumwan Princess Hotel, Bangkok. The Company set guidelines on organizing the meeting according to disease prevention measures as stipulated by the public agency in order to prevent and reduce risks of transmission of Corona Virus 2019 (COVID-19) such as setting a screening point in front of the Meeting’s room according to guidelines of the Disease Control Division, distancing of each chairs at least 1 meter, cleaning the Meeting’s venue before and after the Meeting was held, and asking cooperation with attendees to wear face masks all the time when attending the Meeting.

In addition, the Company provided the shareholders including institutional investors with convenience in an equitable manner to attend the shareholders’ meeting. It put in place staff to welcome and look after the shareholders. For efficiency and the convenience of the shareholders, it made use of the barcode reader in registering the attendance of the shareholders. To check and verify the attendants’ supporting documents, the Company started accepting registrations one hour and thirty minutes before the meeting and stopped accepting registrations just before the last agenda item of the meeting was considered.

In the Annual General Meeting of Shareholders, the number of 10 Directors attending the meeting included Chairman of the Board of Directors and Chairmen of every Committee— Chairman of the Audit Committee, Chairman of the Compensation and Nomination Committee, Senior Executives, and the Company’s auditor.

Mr. Yingyong Techarungnirun, a certified public accountant, who was an independent auditor and was not related to the Company, served as a neutral party in checking and counting votes. Ms. Gingkarn Atsawarangsalit, the Company’s auditor, also attended the meeting. At the meeting, the Chairman conducted the meeting in compliance with all the requirements imposed by the law. He provided the shareholders with clarifications on all the meeting procedures including vote counting methods and the exercise of voting rights. The Chairman also provided the shareholders with a report on the Company’s annual performance and other agenda items. Under each agenda item, the Chairman gave the shareholders an opportunity for giving opinions and suggestions as well as asking questions. In response to the questions, the Chairman and the executives gave the shareholders appropriate answers and explanations. The shareholders were requested to vote and adopt resolutions on all agenda items.

In appointing new directors, the Company made arrangements for the shareholders to vote on each candidate

separately. In this connection, the shareholders could also propose candidates for appointment as directors through the Company's website prior to the date of the meeting of shareholders. The minutes of the meeting were also accurately kept. From the Company's shareholding structure, no director held shares altogether more than 25% of issued and paid common shares.

The Annual General Meeting of Shareholders 2020 took about three hours. Following the commencement of the registrations at 12.30 pm., the meeting started at 14:01 pm. and closed at 17.05 pm. The agenda was not added to or important information was changed without prior notice given to shareholders.

1.3 Actions Undertaken after the Meeting of Shareholders

The Company submitted the report of the voting result during the AGM to the Stock Exchange of Thailand (SET) within 1 day since the meeting was adjourned and also submitted the minutes of Annual General Meeting of Shareholders to the Stock Exchange of Thailand within 14 days after the date of the meeting concerned. As well, the video recordings of the meetings are available on the Company's website (<http://www.mbkgroup.co.th>). The purpose was to provide the shareholders with convenient access to the information.

2. Equitable Treatment of Shareholders

The Company places very strong emphasis on the equitable treatment of all the shareholders. As a result, it has included the upholding of the rights of shareholders and the equitable treatment of shareholders in its policies on the Good Corporate Governance, the Company's performance, voting on appointment or removal of directors as well as dividend payments, proposing additional items to the agenda, and asking questions or giving opinions on various matters which the Board of Directors brings to the attention of the shareholders for information or consideration. Although some shareholders may not be able to attend the meeting, they can appoint other persons or the independent directors who are proposed by the Company to attend the meeting on their behalf by filling in the proxy statement sent by the Company together with other supporting details. To provide the shareholders with convenience, the Company also makes available the proxy statement as well as the related details and procedures on the Company's website 30 day prior to the meeting, from which the shareholders can download the form and the information. The shareholders can obtain additional information from the Company's Investor Relations Unit.

All shareholders also have access to the information about the Company through various channels or sources such as its website (<http://www.mbkgroup.co.th>), annual reports, Form 56-1 or the Investor Relations Unit. In addition the Company has set up the Investor

Relations Unit to communicate with investors, shareholders and all stakeholders. The Investor Relations Unit can be contacted by the following contact information:

The Company's Investor Relations Unit:

Contact Person:

Mr. Somboon Prasobpiboon
Acting Vice President, Business
Investment Department

Address:

MBK Public Company Limited
8th Floor, MBK Center Building,
444 Phayathai Road, Kwaeng
Wangmai, Pathumwan, Bangkok
10330

Telephone: 0-2853-7120

Fax: 0-2853-7138

Contact Center: 1285

Email address:

inv@mbkgroup.co.th

3. Consideration of Stakeholders' Role

The Company looks after various groups of stakeholders whether they are internal stakeholders or external of the Company such as shareholders, customers, trading partners, competitors, creditors, staff at all levels, as well as the society in general and the environment to ensure that the stakeholders will be treated appropriately, equally, and fairly. The Company also fosters the understanding and cooperation with various stakeholder groups. This is also another factor that will support the sustainable and stable growth of the Company.

Anti-Corruption

The Board of Directors is well aware and places importance in operating the business on the principle of honesty, transparency and fairness to all parties, as well as operates the business with a focus

of practicing in accordance with the rules of the established laws, the regulations and ethics in order to build confidence for employees and all stakeholders.

Moreover, in 2011, the Company declared its intention to participate in the anti-corruption campaign “Private Sector Collective Action Coalition against Corruption”. The campaign includes 8 organizations— Thai Institute of Directors, Thai Chamber of Commerce, Foreign Chamber of Commerce in Thailand, Thai Listed Companies Association, Thai Banks Association, Federation of Thai Capital Market Organizations, Federation of Thai Industries, and Tourism Council of Thailand in order to declare its intention to operate a transparent business, and stand against corruption with the consideration of the utmost benefits of all stakeholders.

On 14th October 2016, the Company was certified as a member of Thai Private Sector Collective Action Coalition against Corruption (CAC) the first time. The certificate’s validity period was 3 years and would expire in 2019. Therefore, the Company applied to renew its membership of CAC and then the Company was certified on 5th August 2019. This indicated the Company’s determination to implement its anti-corruption intention obviously.

Moreover, the Company has a policy that its subsidiaries have to participate in Thai Private Sector Collective Action Coalition against Corruption (CAC) and be prepared to apply for being certified as a member. The Company’s already certified subsidiaries are Patum Rice Mill and Granary Public Company Limited (“PRG”) and Paradise Park Company Limited (“PDP”).

The Anti-Corruption Policy

The Company sets out its Anti-Corruption policy by prohibiting directors, executives, and employees of the Company and its subsidiaries from directly and indirectly having or involving in every form of corruption for the benefits of themselves, or the Company, or other parties involving with them. The Anti-Corruption policy is thoroughly declared on the Company’s website www.mbkgroup.co.th

The Assessment of Risk Caused by the Anti-Corruption

The Company determines that the Anti-corruption-involved risk assessment is conducted by the internal unit within the organization through analyzing, assessing, and reviewing the risk management involving the organization’s both internal and external factors. Then, the Strategic and Operational Management Team takes responsibility for the coordination, consulting, collection of information about the risk assessment, measures, solutions, and guidelines on controlling corruption-involved risk from various involved units in order to propose it to the Risk Management Committee (RMC) for consideration. It also verifies information about corruption-involved risk operations and reviews corruption-involved risk every year.

The Guidelines on Regulations and Internal Control of Anti-Corruption

The Company lays down the guidelines on regulations and internal control of Anti-Corruption by providing sufficient and proper internal control in order to prevent employees from not complying with policies, law, rules and regulations both inside and outside the organization; submitting accurate and transparent financial reports; managing risks involving corruption; regularly providing an audit process of procurement by clearly specifying steps and levels of procurement approval for the sake of accuracy and transparency; and regularly providing examinations and reviews of the compliance with the Anti-Corruption policy in order to conform to changes in business, rules and regulations, and the law.

The Communication and Training

The Company disseminates and publicizes its policies on Anti-Corruption and Whistle Blowing and Complaints to the directors, executives, and employees of the Company and its subsidiaries, and the public through the Company’s website. The Company also campaigns to send a letter to its every customer, business trader, and supporter in order to ask for cooperation in abstaining from giving presents during the New Year’s celebration or other occasions in accordance with guidelines of the Private Sector Collective Action Coalition against Corruption.

Moreover, the Company provides training and a test on Good Corporate Governance and anti-corruption through an online channel

for executives and employees of the Company and its subsidiaries at all levels every year in order to acknowledge and abide by the common practices within the organization.

The Policy on Whistle Blowing and Complaints

The Company issues the policy on Whistle Blowing and Complaints caused by abuses of law, rules, regulations, ethics, improper code of conduct, and behavior implying corruption of anyone in the organization and any stakeholder from every group. This policy allows a mechanism for protecting anyone who informs or complains about corruption, informants in good faith, and anyone who opposes corruption. Clues and complaints are treated as strictly confidential in order to give the informants, complainers, and anyone who opposes corruption confidence. The clues and complaints can be informed through channels of communication as follows:

1. The E-mail Channel
 - The Audit Committee
E-mail address: ac@mbkgroup.co.th
 - The President and CEO
E-mail address: asksuvait@mbkgroup.co.th
 - The Senior Executive Vice President of the Internal Audit Division
E-mail address: ia@mbkgroup.co.th
2. The Letter to Persons Indicated above Channel
MBK Public Company Limited
8th Floor, MBK Center
444 Phayathai Road, Wang Mai, Pathumwan,
Bangkok 10330
3. The President and CEO Channel
MBK Public Company Limited
P.O. Box 444 Rong Muang Post Office, Bangkok 10330

The Operational Procedure for Whistle Blowing and Complaints

1. The person who receives a complaint has to inform an authority in charge of this complaint within 7 working days of receiving it.
2. A complaint relevant to or implying corruption has to be submitted to the Internal Audit Department 1 and the Internal Audit Department 2. Also, it has to be submitted to the Corruption Examination Committee or the Corruption Examination Working Group in order to conduct an inquiry to discover the facts. The CEO will be notified of it.
3. A complaint irrelevant to or not implying corruption has to be submitted to the Human Resources Management

Department according to the specified regulations. The CEO will be notified of its action result.

4. The Corruption Examination Committee or the Corruption Examination Working Group considers the facts and directs action to further follow the Company's procedure.

The Protection of Informers, Complainers, Informants, or Anyone Who Opposes Corruption

The Company will afford the protection of informers, complainers, or informants as follows:

1. The identity of informers, complainers, informants, or opponents of the corruption is not disclosed. If necessary, only essential information is revealed with regard to their safety and risks posed to them and concerned parties.
2. Their work is not affected nor changed such as disemployment, suspension, job mobility, intimidation or any action unfair to informers, complainers, informants, or anyone who opposes corruption.
3. The person who acknowledges a complaint or information relevant to the complaint has to keep it confidential and undisclosed to other people with regard to their safety and risks posed to them. In intentional contravention of this, that person will be face disciplinary actions and/or legal actions depending on circumstances.

Non-Infringement of Intellectual Property and Copyrights

The Company forbids employees to use any copyright work in the Company's advertising media, print media or in any work without permission from the copyright owners. If any is used without permission it will be considered as piracy.

Thus, the Company has established regulations in using others copyright work, from the Internet, advertising media or print media, with the work of Company and MBK GROUP. The regulations should be strictly followed, which are:

1. Check from internet or other form of media whether the work which will be used in the Company's advertising media or print media has any copyright or not before using it. By considering from the following principles:
 - 1.1 Works that occur from wisdom, knowledge and capability in terms of creative work is considered intellectual property.
 - 1.2 Contain "©" on the work piece
 - 1.3 Mention by name of the owner of the work piece or the site of the work piece.
 - 1.4 On the work piece appears to be stamp with watermark or logo
2. Permission must be granted from the copyright owner before using any work piece with copyright from the Internet or other form of media with the Company work.
3. It is prohibited to use copyright work from the Internet or other form of media to reproduce, modify or publish to the public without permission from the copyright owners.
4. It is prohibited to use copyright work from internet or other form of media with the Company work or individual work for commercial gain, seek profit or in a manner that may cause damage the copyright owner unless it is use for the purpose of teaching, education or non-profit events.

In the case where it is necessary to use such copyright work with any of the Company work, the superior or executives with the level of vice president or equivalent or above must approved the said copyright work. MBK legal division must also approve that copyright work. If the Company found that the employee has taken the aforementioned action (Number 1-4) and causing the Company to be filed with lawsuit of copyright infringement which is in line with the Copyright Act B.E. 2537 or other related laws, the Company will considered that the employees does not practice in accordance with the rules and regulation therefore disciplinary punishment will be made in accordance with the rules and regulation regarding the operation of the Company.

Allocation and Management the resources

The Board of Directors realize the necessity of using resources by emphasizing participation in and having responsibility to the environment in all processes both inside and outside the organization by supporting activities concerning energy saving, promoting the use resources usefully and efficiently. There are reviews and improvements in order to increase the efficiency of resource using of the organization continuously. First step, choosing a pattern to run business operations which the Board pays significance to the development and expansion of investment in order to create business opportunities of the organization by choosing business patterns which align with objectives and main goals of the organization. Next, the Company's Business Development Division has to study and analyze data of the investment projects and calculate the cash flow in the future through financial stimulation in order to compare assumptions with external and internal information of the Group, as well as anticipating the growth rate of the economy and industry for the calculation of the cash flow received in the future ad risk assessment in each project. Finally, this will be reviewed by the committee of each project by concerning impacts and worth, compared with resources used on a basis of ethics, having responsibility, creating value to the business sustainably, and taking stakeholders into consideration.

Moreover, there are campaigns to promote the employees in the organization to have good consciousness to take part in taking care of the environment, providing knowledge for customers and the general people, including expanding cooperation with alliances in order to maintain the balance of business operations and environment friendliness.

In order that, the details of related policies which the Company has established to the Board of Director, the Executive Management and all of staff in order to treat to the stakeholders unless the shareholders are as follows:

1) Customers

The Company realizes that it is important for its customers to feel completely satisfied. This is because the Company's success depends on the customer satisfaction. To win customer confidence in its services, the Company needs to treat every customer fairly. The following policies and measures have been undertaken.

1. The Company honors all the terms and conditions agreed upon with the customers. In case it is not possible to honor any terms and conditions, the Company will try to find a satisfactory resolution or make necessary adjustments.
2. The Company treats all customers fairly and equitably.
3. The Company always keeps good relation with the customers.
4. The Company takes good care of the customers, taking into consideration their safety.
5. The Company provides the customers with accurate, adequate and timely information. It keeps the customers' information confidential. It will not use the customers' information for one's own benefit or for the benefit of the related parties.
6. The Company puts in place a system or process, through which the customers can file their complaints or give their suggestions about its services.

2) Trading Partners, Competitors and Creditors

In conducting its business affairs, the Company takes into account the benefits of its trading partners, competitors and creditors. It treats them equitably and fairly, in the best interest of the Company and based on the principles of righteousness and suitability as well as the business relationship. The following are the Company's practice guidelines.

1. The Company's conduct of business affairs is under the framework of fair competition rules and in line with the good culture and tradition.
2. The Company honors all agreements, terms and conditions, as well as rules and regulations. If it is not possible to honor them, the Company will try to find a satisfactory resolution or make necessary adjustments.
3. The Company places emphasis on treating these stakeholders appropriately, equitably and fairly.
4. The Company does not ask for or accept or pay any undue benefits dishonestly. The Company also does not violate confidentiality. As well, it will not attempt to gain access to trade secrets in a dishonest manner.
5. The Company puts in place a system or process, through which its trading partners, competitors and creditors can file complaints.

A part from the aforementioned regulations, the Company has set up policies and practices of selecting the trading partners through a systematic procedure for procurement and performance steps which conform to the quality management called 'ISO 9001:2015'.

Policies and Regulations in Selecting the Trading Partners

1. To establish the regulation in selecting and evaluating trading partners in order to run the business fairly.
2. Open bidding and select trading partners transparently, fairly and appropriately by the Company's Procurement Committee.
3. To compile appropriate contract form.
4. To provide steps of procurement and a tracking system, including internal control, to ensure that the conditions are practices accordingly and fairly.
5. To assess trading partners every year and inform them about assessment results and recommendations in order that the trading partners can improve the quality of goods and services continuously.

3) The Society, Communities and the Environment

The Company has always committed to operating its business in a manner that shows responsibility towards society, communities and the environment. As part of its efforts, it takes actions that are of benefit to the society and communities. In particular, it complies with the building standards and requirements imposed by the authorities concerned. It has adopted the policies and measures as follows:

1. The Company complies with the laws as well as rules and regulations related to the environment.
2. It gives assistance to and cooperates with state agencies, communities, and educational institutions in their activities. The Company assists in preserving the local customs and traditions of the communities in which the Company and its offices are located. It also encourages its subsidiaries to adopt the same policy.
3. The Company encourages staff of the Company and its subsidiaries to be mindful of their responsibility towards society, communities and the environment.
4. The Company puts in place a system or process, through which complaints can be filed.

4) Employees

The Company is aware that employees are the valuable assets and essential to the Company's achievement. The Company hopes that the employees will feel proud of the organization and have an equal opportunity to progress professionally and all are given a chance to continuously develop their skills. Therefore the Company has adopted the following guidelines in regards to its employees:

1. All employees are treated with equality and without prejudice.
2. The Company supports and promotes activities that allow employees to feel proud in the organization as well as strengthen the relationship among employees and between employees and that organization.
3. The Company provides fringe benefits for employees such as provident funds, healthcare and safety in the working environment.
4. The Company supports and promotes the development and professional progress of employees.
5. The Company sets up a system and procedure that allows employees to file a complaint in case of injustice.

In 2020, the Company did not have disputes relevant to violations of labor, employment, consumers, trade competition, and environment.

4. Information Disclosure and Transparency

The Board of Directors attaches significance to disclosure of information technology because it has an impact on decision making of investors and stakeholders by having the system to provide financial reports and disclose important information accurately, sufficiently, and according to standard rules and related guidelines by taking concerned information into consideration.

Financial information and non-financial information which the Board of Directors has a clear policy to manage the finance, sources of fund, financial risk management in order to reduce risks affecting performance and financial status of the Company. This builds the confidence for shareholders under the close monitoring of accounting and finance-based top executives by monitoring and assessing the business' financial status regularly and submitting a report to the Executive Committee every month in order to acknowledge the performance. The consideration and analysis of causes and guidelines to solve the problems are taken. If there is a sign indicating a financial liquidity problem and solvency, it will be reported to the Board of Directors in order to consider for further approval for solving the problem immediately.

For normal operations of the Management Team, back-up plans are made in case that there is probably a financial problem by taking equity for every stakeholder into consideration equally as well as managing the liquidity in order to be ready for repaying debts to creditors immediately under emergency situations in order to be able to repay the debts to creditors, even though confronting a liquidity crisis.

The Company places strong emphasis on disclosure of its information. In this connection, the Company has adopted a policy on equitable disclosure of a policy on equitable disclosure of key information both financial and non-financial, to shareholders and stakeholders in a complete, timely and reliable manner, in both Thai and English, through various channels as follows:

4.1 Through annual reports and the Company's website (<http://www.mbkgroup.co.th>) The disclosed information covers all areas in line with the practice guidelines given by the Stock Exchange of Thailand for directors. The information includes, among others, the following:

1. Financial statements, and financial statement analysis as well as the report on the responsibility of the Board of Directors towards the financial report together the report of the auditor in the annual report.
2. Report of the Audit Committee.
3. Related party transactions.
4. Policy and report on Corporate Governance.

5. Composition of the Board of Directors, their profiles showing experiences which are of benefit to the Company's business performance, as well as the role, duties and responsibilities of the Board of Directors and committees on various specific areas, in addition to details on the meeting attendance of members of each committee.
6. Policy on remuneration for directors and senior executives, both in cash and other fringe benefits, as well as information about compensation for directors, members of various committees, and senior executives, (Notes: As regards directors and members of various committees, the Company will disclose details about the compensation of each person.).
7. Shareholdings of directors and senior executives.
8. Organizational structures of the Company and its subsidiaries.
9. Vision and Mission.
10. Internal control and risk management.

4.2 Website of the Securities and Exchange Commission (SEC). In full compliance with the requirements imposed by the Office of the Securities and Exchange Commission (SEC), the Company has disclosed all the information and various developments. The information is disclosed to members of the general public through SEC's website such as Annual Report, Report of 56-1, Financial Statement. This includes, among others, related party transactions and details about company share holdings of the directors.

4.3 The Company has established an investor relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its website (www.mbkgroup.co.th) under the tab entitled Investor Relations. The available information includes the information sent to the Stock Exchange of Thailand and the Securities and Exchange Commission, information about the Company's shareholders, analyses, as well as its quarterly investor magazine entitled "MBK TODAY" which contains information such as the Company's quarterly performance, share price movements, businesses of MBK GROUP's member companies and the Company's activities in the past quarter. The information on the website is regularly updated. The objective is to enable investors and interested members of the general public to have efficient and equitable access to the information.

However, in 2020, the Company disclosed information as required to the Stock Exchange of Thailand completely, accurately, and stipulated by principles of the disclosure of such information.

The Company respects the rights and treats shareholders, investors, and security analysts with fairness. The Company is also ready to listen to opinions and questions as well as gain a mutual understanding with stakeholders in order

that the shareholders, investors, and security analysts gain the confidence that the Company operates in accordance with the regulations and transparent and fair information disclosure.

In 2020, the Company took care of the shareholders, investors, and security analysts as follows:

- | | |
|--|---------|
| 1. The Annual General Meeting of Shareholders | 1 time |
| 2. The Extraordinary General Meeting of Shareholders No. 1/2020 | 1 time |
| 3. The disclosure of every quarterly turnover on the Company's website | 4 times |
| 4. To provide a quarterly magazine for investors called MBK Today | 4 times |
| 5. To meet and talk with investors and security analysts | 2 times |
| 6. To answer questions sent through telephone call and email channels | |

Investor Relations Unit realizes the importance of the disclosure of significant information in order that the shareholders, investors, and security analysts have sufficient data for the analysis and confidence that the Company's disclosure of its performance conforms to rules and regulations and this disclosure of information is transparent and fair.

Interested person can contact of the Company's Investor Relations Unit at

Contact Person:	Mr. Somboon Prasobpiboon Acting Vice President, Business Investment Department
Address :	MBK Public Company Limited 444, 8 th Floor, MBK Center Building, Phayathai Road, Wang Mai, Pathumwan, Bangkok 10330
Telephone number:	0-2853-7120
Fax number:	0-2853-7138
Contact Center:	1285
E-mail:	inv@mbkgroup.co.th
Website:	www.mbkgroup.co.th

Filing Complaints and Requesting for Information

In conduct its business affairs, the Company has adopted a policy which takes into account the satisfaction of all stakeholders. They can file complaints, make suggestions, or request for information as well as sharing news, leads, and clues or giving information about the Company through its various channels such as web-based Intranet, through its various channels— both internal and external— such as a web board, Internet, telephone calls, written letters, QR Code scanning points for giving opinions and suggestions. The related contact details are as follows:

1. Contact center phone number : 1285
2. Website : www.mbkgroup.co.th
3. Email address of the Investor Relations Unit: inv@mbkgroup.co.th
4. QR Code scanning points for giving opinions and suggestions
 - A QR Code scanning point for giving opinions and suggestions is placed in the office near the Public Relations Department.
 - A QR Code scanning points for giving opinions and suggestions are placed on all floors of MBK Shopping Center.

The Company has set up procedures in dealing with complaints from all groups of stakeholders. As part of the policy, all customers and stakeholders information will be kept confidential. The information includes complaints, suggestions, requested information, news, leads or clues about the Company. The Internal Audit Department is required to acknowledge and gather all the complaints and suggestions in order to propose to the Audit Committee to consider and make further implementations. This also includes assigning the management or related department to rectify the complaints and notify the appellant to acknowledge the proceeding of the complaints.

5. Responsibilities of the Board of Directors

To manage the Company efficiently, the Board of Directors must consist of individuals with knowledge, expertise and work experience in different fields of endeavor. Importantly, they must be able to dedicate themselves fully to their work and act at all times in the best interest of the Company.

5.1 The Structure of the Board of Directors

- 1) The total number of members of the Board of Directors must be in line with the number specified by the meeting of shareholders. However, the number of the directors must be at least five.
- 2) The number of independent directors must account for at least one-third of the total members of the Board of Directors.
- 3) All directors must have proper qualifications and possess none of the characteristics prohibited under the Public Company Limited Act.
- 4) The appointment of directors must be transparent and clear. They must be appointed at the meeting of the shareholders or by the Board of Directors in case the director post becomes vacant before the end of the tenure.

5.2 Independence of the Board of Directors

The independent directors must possess qualifications as specified by the Company. The qualifications are in line with those prescribed in the notifications issued by the Securities and Exchange Commission. The related details are given on Page 113 under the subject entitled 'Management Structure'.

In 2020, the Company had four independent directors, accounting for 40.00% of the Board of Directors. Their names were as follows:

- 1) Mr. Kasama Punyagupta
- 2) Mr. Pracha Jaidee
- 3) Mr. Suwit Rojanavanich
- 4) Ms. Panit Pulsirivong

5.3 Executive Directors

Executive Directors are those directors who participate in the management of the business, in line with the Notification of the Capital Market Supervisory Board No. Tor Chor. 28/2551 Re: Application for and Approval of the Offer for Sale of Newly Issued Shares. According to the Notification, "Executive director" means any director who holds an executive position, or any director who is in charge of any actions deemed to be taken by executive, and includes any authorized director except where it can be demonstrated that such authorized director signs on transactions which have been approved by the board of directors and jointly with other directors. In 2020, the Company had 1 executive director, accounting for 10.00% of the Board whose name was Mr. Suvait Theeravachirakul.

5.4 Directors Authorized to Sign on Behalf of the Company

The directors who are authorized to sign on behalf of the Company and whose names are specified in the Company's Articles of Association include the following:

1. Mr. Suvait Theeravachirakul
2. Mr. Hatchapong Phokai

In signing on behalf of the Company, two directors jointly sign with the Company's seal affixed.

5.5 Responsibilities of Directors

In considering the holding of directorships of its members, the Board of Directors takes into account the appropriate arrangements that will result in the highest efficiency possible for the Company. As well, the arrangements must add value to all groups of the stakeholders.

5.6 Committees on Specific Areas

The Board of Directors may appoint committees to perform some of its duties on specific areas. These committees assist the Board in carrying out some of its duties, conducting detailed studies, and checking things as deemed necessary and appropriate. These committees consist of the following:

- 5.6.1 The Executive Committee
- 5.6.2 The Audit Committee
- 5.6.3 The Compensation and Nomination Committee
- 5.6.4 The Good Corporate Governance Committee
- 5.6.5 The Other Committees

The characteristics of the committees must be in compliance with the requirements stipulated by the Stock Exchange of Thailand. As well, the Board of Directors has clearly specified the scope of responsibilities of each committee. It also requires that the committees present

their respective report at each meeting of the Board of Directors.

5.7 Holding of Directorships

The Board of Directors has considered the appropriateness of time allocation in carrying out the responsibilities of each director who is required to assume positions in various subsidiaries. The objective is to achieve the maximum efficiency possible in ensuring that each subsidiary adopts policies and conducts its business affairs in alignment with the parent company and that its business is beneficial and adds value to all groups of stakeholders. The Board of Directors then sets out a policy that individual Company Directors can serve as directors for not more than 5 companies listed on the Stock Exchange of Thailand (SET). Subsidiaries, affiliates and joint ventures which are needed to be monitored for the regulation are excluded.

Moreover, the Board of Directors sets out a policy that the President and CEO can occupy positions for not more than 3 listed companies. However, the positions held in subsidiaries, affiliates, and joint-ventured companies are excluded because the Company has to govern the operation management for the sake of the Company with the utmost efficiency.

In 2020, there was no member from the Board of Directors—who held the position of the Company's executive—to hold the position of a director for more than 2 listed companies which were outside the Company's business groups.

5.8 Segregation of Duties between the Board of Directors and the Management

The Company clearly defines and segregates the authority between the Board of Directors and the management at various levels. In addition, the Chairman of the Board of Directors and the Company's President must not be the same person. As well, the Company clearly segregates the authority and duties of the Chairman and the President. The objective is to strike a proper balance in managing the Company's business. The system in segregating the roles, duties and responsibilities between the Board of Directors and the management is in line with the segregation principle that is based on the Corporate Governance policy. This includes systematic delegation of decision-making authority. The management is independent in making decisions and managing the business within the limits of the delegated authority. In this connection, the Company has prepared a handbook on the delegation of authority. It gives details about the roles and authority of the management and serves as its practice guidelines. The delegation of authority handbook will be reviewed as deemed appropriate for the conduct of the Company's business affairs, taking into account the prevailing situation. Moreover, the Board of Directors closely monitors the performance of the management.

5.9 Training and Development of Directors

The Company regularly places importance in training and development of the directors. All the newly appointed directors is required to attend the orientation session which will provide them with adequate information about the Company before they start carrying out their responsibilities. The information includes the Company's vision, missions, strategies, goals, Memorandum of Association, Articles of Association, roles and responsibilities of the Board of Directors, a policy on Good Corporate Governance, code of business ethics, code of conduct for directors, and business information of related companies, as well as related rules and regulations. The Company promotes and supports all the directors to regularly participate in the training and develop knowledge. No matter whether the training courses that are related to the performance of their responsibilities as director, are organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, the Securities and Exchange Commission or other institutes; the Company will regularly inform the directors of the details about these courses in advance. The training will enable the directors to carry out their responsibilities and look after the Company's business affairs in an efficient manner. The directors who have participated in the training courses organized by the Thai Institute of Directors Association (IOD) include the following:

Name of Directors	Name of Training Course from the Thai Institute of Directors
1. Mr. Banternng Tantivit	- Director Accreditation Program (DAP) Course
2. Mr. Suphadej Poonpipat	- Director Accreditation Program (DAP) Course - Role of the Compensation Committee (RCC) - Role of the Chairman Program (RCP) - Financial Institutions Governance Program (FGP)
3. Mr. Kasama Punyagupta	- Directors Certification Program (DCP) Course
4. Mr. Pracha Jaidee	- Director Accreditation Program (DAP) Course - Audit Committee Program (ACP) Course
5. Mr. Suwit Rojanavanich	- Directors Certification Program (DCP) Course
6. Ms. Panit Pulsirivong	- Director Accreditation Program (DAP) Course - Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course - Role of the Compensation Committee (RCC)
7. Mr. Piyaphong Artmangkorn	- Director Accreditation Program (DAP) Course
8. Mr. Suvait Theeravachirakul	- Directors Certification Program (DCP) Course - Audit Committee Program (ACP) Course - Successful Formulation & Execution of Strategy (SFE) Course
9. Mr. Hatchapong Phokai	- Director Accreditation Program (DAP) Course
10. Mr. Atipon Tantivit	- Directors Certification Program (DCP) Course

In 2020, member of the Board of Directors attended the training courses in order to promote and support the knowledge development of the director continuously as follows:

Name of Directors	Course	Institute	Date
1. Mr. Suvait Theeravachirakul	Effective Coaching & Mentoring	MBK Training Center Co., Ltd.	29 th January 2020
	Digital Transformation	MBK Training Center Co., Ltd.	15 th June 2020
	The Analysis of the Manpower Rate for the Modern Organization	MBK Training Center Co., Ltd.	23 rd June 2020
	How to Adapt to survive in current situations	MBK Training Center Co., Ltd.	9 th October 2020
	Just Right...Yes!	MBK Training Center Co., Ltd.	10 th November 2020
	Agile leader	MBK Training Center Co., Ltd.	12 nd November 2020
	Top Executive Program on China's Business Insights and Network (TEPCIAN)	Beijing Language and Culture University (BLCU), the Thai Chamber of Commerce, and University of the Thai Chamber of Commerce	From 9 th November 2019 to 3 rd November 2020
2. Mr. Hatchapong Phokai	Executive Coaching & Mentoring	MBK Training Center Co., Ltd.	29 th January 2020
	Onboarding	YourNextU	6 th March 2020
	Digital transformation	MBK Training Center Co., Ltd.	15 th June 2020
	Regulations on ISO 9001:2015 (Online E-Learning)	MBK Training Center Co., Ltd.	26 th June 2020
	Just Right Beyond COVID-19	MBK Training Center Co., Ltd.	10 th November 2020

5.10 Leadership and Vision

The Company's Board of Directors clearly establishes its vision, mission, business directions, policies, strategies, and targets through reviewing them annually. They serve as guidelines for the management in formulating business plans and budgets as well as future business expansion plans in order to enable the Company to further achieve continuous growth and stability.

In 2020, the Company reviewed and specified its vision and mission as follows:

Vision: "The Country's Leading Group of Companies with Focus on Business Operations and Investment for the Sustainable Growth for Generating Regular Returns."

Missions:

1. To focus on investment in potential businesses
2. To generate returns for investors regularly
3. To run business operations with trade partners systematically and fairly for the sake of mutual benefit
4. To create the brand and image of the organization continuously
5. To develop marketing continuously

6. To focus on customer-centric services providing
7. To encourage and develop the human resources in accordance with business expansion and commitment
8. To develop business through digital technology and innovation
9. To have performance on a Good Corporate Governance basis

Policies on Reviewing the Strategies, Vision and Mission

MBK Public Co., Ltd. reviews its vision, mission, strategies, and action plans annually by specifying a 5-year time frame for long term planning in order to harmonize with financial goals and an investment cycle of the business. It is submitted to the Board of Directors for consideration before the implementation. In every month, operations are reviewed in order that the organization can adapt itself to situations and business environment which are changing. Such operations are considered by the Management Team and the Board of Directors. For 2020-2024 time frame, the Company's strategic purposes are specified as follows:

1. To efficiently manage the proportion of the business portfolio.
2. To generate the growth of revenues and net profits regularly
3. To increase potential finances in order to support the investment of the Company's Group
4. To focus on the improvement of providing services which responds to customers in every business groups, according to their service standards, in order to increase customers' satisfaction in every channel they have access to
5. To be the service-minded Company's Group to provide services to customers with its efficient working system
6. To focus on improving marketing strategies of every business group through digital technology in order to respond to behavior of every group of customers
7. To focus on developing the CRM system in order to build on the long-term relationship with customers

The Company's Board of Directors specifies monitor and evaluation procedures for the Company's strategic planning, collection and analysis of information technology through various analysis instruments such as SWOT Analysis and GAP Analysis included information of innovation, used for the annual strategic planning in order to originate a true sustainability for the organization. Moreover, the Company passes on action-plans-to-practices, from KPI at the

organizational level to line/division/ department/individual levels (at manager level up) respectively. Moreover, the Company employs stakeholders' needs as information used for the strategic formulation which achieves a balance of the needs/expectations of the stakeholders in order to ensure that the action plans can be achieved effectively and have a maximum benefit in the supply chain. KPI Software is used to record data in order to monitor and report the results. If goals are not achieved, resolutions are found by the Strategic Planning Management and Balance Scorecard Committee. These aforementioned operations will be later used in the annual performance evaluation.

5.11 Company Secretary

The related details are given on Page 121 under the subject entitled "Management Structure"

5.12 The Company's Board of Directors has formulated a succession plan.

The Board of Directors make a succession plan and continuity of proper management for positions at the level of department head and above and to support the Company's business expansion. In implementing the plan, the efficiency and potential of executives will be assessed. As well, they will be required to participate in appropriate training and development activities which are aimed at enhancing their skills and knowledge. Their professional development will be closely monitored. The President and CEO will report the performance according to the succession plan of top executives (the 4 first positions of executives next to the top-most position, whose position equals to each of 4th position of executive) to the Compensation and Nomination Committee and the Board of Directors at least once a year.

5.13 Remuneration of the Board of Directors and the Executives Management

Remuneration of the Board of Directors

The Board of Director has set up policies and regulations for the Directors and sub-committee's remuneration at which the rates is appropriate and in line with the Directors responsibilities that have to minister to be in comply with the stakeholders expectation and in accordance with the related laws and rules. The Company, therefore, is required to select directors with experience and appropriate qualifications. The Board of Director has also set up policies that will determine the remuneration of each director, where the remuneration rates will reflect the duties and responsibilities of each director, the Company's financial status and the remuneration rate. This can be compared with the similar size or the same industry of listed company on The Stock Exchange of Thailand along with to be able to practice in accordance with the Good Corporate Governance. The remuneration is revised annually.

The remuneration of the Board of Directors is paid in the form of the meeting allowances, director allowances and gratuity. The directors who also serve as members of other committees such as the Audit Committee and the Executive Committee will receive additional payments as deemed appropriate and in line with the resolution adopted at the shareholders' meeting.

The Annual General Meeting for the year 2020, held on 5th August 2020, approved the remuneration for Directors in the rate of 3,500,000 Baht per annum and privileges of 1,600,000 Baht per annum (To receive services from the Group's businesses, provided for Directors only. These services cannot be redeemed

for cash such as the Hotel and Tourism Business and the Golf Business.), total amount of 5,100,000 Baht per annum for the Board of Directors, the Executive Committee, the Audit Committee, the Compensation and Nomination Committee, as details as follows;

1. Remuneration for Board of Directors
 - Chairman 28,750 Baht/per person/per month
 - Vice Chairman 17,500 Baht/per person/per month
 - Director 14,500 Baht/per person/per month
2. Remuneration for the Executive Committee
 - Chairman 26,250 Baht/per person/per attendance
 - Director 8,750 Baht/per person/per attendance
3. Remuneration for the Audit Committee
 - Chairman 17,500 Baht/per person/per month
 - Director 8,750 Baht/per person/per month
4. Remuneration for the Compensation and Nomination Committee
 - Chairman 17,500 Baht/per person/per attendance
 - Director 8,750 Baht/per person/per attendance
5. Remuneration and privilege for the Board of Directors
 - Chairman 120,000 Baht/per person/per year
 - Vice Chairman 120,000 Baht/per person/per year
 - Director 120,000 Baht/per person/per year

To approve pension for the Board of Directors of 3,380,000 Baht and the Board of Directors will allocate the amount among its members.

The Remuneration of the Executive Management

The Board of Directors has policy and principle in consideration of top executives' remuneration in a short-term period with annual evaluation of the executives' performance based on Performance Management System (PMS) which consists of 2 performance evaluation factors— (1) Key Performance Indicators (KPIs), a crucial mission passed on by the Company in order to support its goals, strategies, operating results, and financial performance results, which are in accordance with duties and responsibilities of the executives, and (2) Competency as an instrument to assess the job performer's ability in terms of behaviors specified that the executives shall perform duties to achieve the organization's objectives and goals with quality.

The remuneration in short-term period is paid to the senior executives by means of monthly salaries, bonuses or other forms of remuneration according to the results of the Company's performance and the executives' performance, compared with a benchmark in the same industry.

The remuneration in the long term period is paid in the form of provident fund which the Company adds to the one paid by employees, according to the stipulated rate, and will increase according to the year in service in the Company. The Board still monitors the President and CEO to assess top executives in order to align with assessment principles.

The remuneration of President and CEO is specified under clear, transparent, fair, and rational rules. The duties, responsibilities, and the Company's performance results are taken into consideration by the Compensation and Nomination Committee.

The remuneration of directors and senior executives for 2020 is disclosed on Page 126-128 under the subject entitled "Management".

5.14 Meetings of the Board of Directors

The Company's various committees including the Board of Directors, the Executive Committee, and the Audit Committee plan their official meeting schedules for the whole year in advance. They are required to hold their meeting at least once a month. They may organize additional meetings as deemed appropriate, to consider special agenda items. The purpose is to acknowledge and monitor the Company's performance and business operations.

For any meeting of the Board of Directors which needs a meeting's resolution, not less than two-thirds of all Directors of the Board have to attend the meeting. Such resolution is passed by majority vote. One Director has one vote. If an equal number of votes occurs, Chairman of the meeting has an additional vote as a casting vote. Any Director who has a conflict of interest in any matter, he/she does not have the right to vote in such matter.

There will be the Company's top executives who will directly declare some relevant information technology to the Board of Directors for the presentation of each agenda. The Company will send the notice of the meeting together with the agenda and supporting documents to each director at least 5 working days before the Board of Directors' meeting so that the directors will have adequate time to read through the documents. In addition, if the Board of Directors acquires additional information, they can contact with the Company's secretary or President and CEO. At the meetings, the directors can give their opinions openly and independently. The minutes of the meetings will be taken and made available for the parties concerned for future reference. For the Compensation and Nomination Committee's part, their meeting will be held when the Company has to nominate directorships or when the performance of the President and CEO has to be evaluated. For the Corporate Governance Committee's part, the meeting will be held when there are consideration and reviews of a policy on Good Corporate Governance, including auditing the internal control which is relevant to measures against corruption. For the year 2020, the various committees regularly held their meetings within the scope of their prescribed duties.

Meeting Attendances of the Members of the Company's Current Committees in the 2020 Financial Year

Name List	Meeting Attendances of the Members (Attendances/ Total Meetings)				
	The Board of Directors (12 meetings)	The Executive Committee (12 meetings)	The Audit Committee (15 meetings)	The Compensation and Nomination Committee (1 meeting)	The Good Corporate Governance Committee (1 meeting)
1. Mr. Banterng Tantivit	12/12	-	-	-	1/1
2. Mr. Suphadej Poonplipat	12/12	12/12	-	1/1	1/1
3. Mr. Kasama Punyagupta	12/12	-	15/15	-	1/1
4. Mr. Pracha Jaidee	12/12	-	15/15	1/1	1/1
5. Mr. Suwit Rojanavanich	12/12	-	15/15	-	1/1
6. Ms. Panit Pulsirivong	12/12	-	-	1/1	1/1
7. Mr. Piyaphong Artmangkorn	12/12	12/12	-	-	1/1
8. Mr. Suvait Theeravachirakul	12/12	12/12	-	-	1/1

Name List	Meeting Attendances of the Members (Attendances/ Total Meetings)				
	The Board of Directors (12 meetings)	The Executive Committee (12 meetings)	The Audit Committee (15 meetings)	The Compensation and Nomination Committee (1 meeting)	The Good Corporate Governance Committee (1 meeting)
9. Mr. Hatchapong Phokai	12/12	-	-	-	1/1
10. Mr. Atipon Tantivit	12/12	12/12	-	-	1/1

- Notes:**
- The Board of Directors at present:
 - The Executive Committee is comprised of 4 persons. They are the name list no. 2, 7, 8 and 10.
 - The Audit Committee is comprised of 3 persons. They are the name list no. 3, 4 and 5.
 - The Compensation and Nomination Committee is comprised of 3 persons. They are the name list no. 2, 4 and 6.
 - The Good Governance Committee is comprised of 10 persons. They are the name list no. 1-10.

Moreover, in 2020, Non-Executive Directors (NEDs) had meetings among themselves in order to discuss issues relevant to the management in focus without the attendance of the Management Team. The key issue for the consideration of Non-Executive Directors was the diversification of MBK GROUP's businesses. The organization had to have strategic planning, risk management, and personnel development in order to conform to each business group and the and keeping up with the pace of rapidly changing situations and technology. One of important issues was to make the Succession Plan for the Company's top executives.

There were 2 meetings in total, held in July and December.

5.15 The Performance Assessment of the Board of Directors and the Committees

1) The Performance Assessment of the Board of Directors

The Company has annually assessed the performance of the Board of Directors by means of the board assessment and the individual assessment. The Board Self-Assessment conforming to an approach used by the Stock Exchange of Thailand (SET), which is improved in order to be able to reflect the efficiency of performance and complies to principles of Good Corporate Governance, is used. The Company's secretary makes a start on preparing the performance assessment for the Board of Directors' both board and individual assessment. The Board Self-Assessment requires each director of the Board to have self-assessment through responding a questionnaire and sending it back to the Company's secretary. These responded questionnaires are then summarized and the result of the assessment will be presented in a Board of Directors' meeting by the Company's secretary. The assessment's result is used to consider an appropriation of the Board of Directors' composition and review the performance, problems and obstacles faced during the previous year and to help encourage the Board of Directors' effectiveness of the performance. Moreover, it also helps improve a relationship between the Board of Directors and the Management Team.

- The criteria for the performance assessment of the Board of Directors, according to the Board Self-Assessment in each assessment topic, are divided into 5 levels as follows:
 - 0 = Extremely disagree or not carry out such topic
 - 1 = Disagree or carry out such topic little
 - 2 = Agree or carry out such topic moderately
 - 3 = Quite agree or carry out such topic well
 - 4 = Extremely agree or carry out such topic excellently

- The criteria for the performance assessment of the Board of Directors are divided into 5 levels as follows:

More than 90 equals 'excellent'.

More than 80 equals 'very good'.

More than 70 equals 'good'.

More than 60 equals 'fairly'.

Less than 60 equals 'It should be improved'.

The result of the Board Self-Assessment for the year 2020 can be summarized as follows:

The result of self-assessment of the performance through the board assessment

Topic to be assessed (The board assessment)	Result of the assessment	
	Full marks	Average marks
1) Structure and qualifications of the Board of Directors	20.00	19.62
2) Roles, duties, and responsibilities of the Board of Directors	30.00	28.99
3) Meeting of the Board of Directors	15.00	14.71
4) The Board of Directors' execution of duties	15.00	14.79
5) Relationship with the Management Team	10.00	10.00
6) Self-development of the Board of Directors and development of executives	10.00	9.54
Total	100.00	97.64

The result of self- assessment of the performance through the individual assessment

Topic to be assessed (The individual assessment)	Result of the assessment	
	Full marks	Average marks
1) Structure and qualifications of the Board of Directors	30.00	28.88
2) Meeting of the Board of Directors	30.00	30.00
3) Roles, duties, and responsibilities of the Board of Directors	40.00	39.80
Total	100.00	98.68

2) The Performance Assessment of the Committees

For the year 2020, the Company assessed the performance of every committee. They were the Executive Committee, the Audit Committee, the Compensation and Nomination Committee, and the Good Corporate Governance Committee. The Board Self-Assessment conforming to an approach used by the Stock Exchange of Thailand (SET), which is improved in order to be able to reflect the efficiency of performance and complies to principles of Good Corporate Governance, is used. The Company's secretary or each committee's secretary makes a start on preparing the performance assessment for every committee. The Board Self- Assessment requires each director of the committees to have self-assessment through responding a questionnaire and sending it back to the Company's secretary or to each committee's secretary. These responded questionnaires are then summarized and the result of the assessment will be presented in a Board of Directors' meeting annually.

- The criteria for the performance assessment of the Board of Directors, according to the Board Self-Assessment in each assessment topic, are divided into 5 levels as follows:
 - 0 = Extremely disagree or not carry out such topic
 - 1 = Disagree or carry out such topic little
 - 2 = Agree or carry out such topic moderately
 - 3 = Quite agree or carry out such topic well
 - 4 = Extremely agree or carry out such topic excellently
- The criteria for the performance assessment of the Board of Directors are divided into 5 levels as follows:
 - More than 90 equals 'excellent'.
 - More than 80 equals 'very good'.
 - More than 70 equals 'good'.
 - More than 60 equals 'fairly'.
 - Less than 60 equals 'It should be improved'.

The result of the Board Self-Assessment executed by the committees for the year 2020 can be summarized as follows:

The result of the self-assessment of the Executive Committee, the Audit Committee, the Compensation and Nomination Committee, and the Good Corporate Governance Committee

Topic to be assessed (The committee assessment)	Result of the assessment				
	Full marks	Average marks			
		The Executive Committee	The Audit Committee	The Compensation and Nomination Committee	The Good Corporate Governance Committee
1) Structure and qualifications of the Committee	20.00	18.75	20.00	20.00	19.25
2) Meeting of the Committee	20.00	20.00	20.00	20.00	20.00
3) Roles, duties, and responsibilities of the Committee	60.00	60.00	58.91	60.00	59.70
Total	100.00	98.75	98.91	100.00	98.95

3) The Performance Assessment of President and CEO

The Board of Directors evaluate the performance of President and CEO. The Compensation and Nomination Committee is appointed by the Board of Directors to consider President and CEO's remuneration by means of consideration of their suitability for assigned duties and responsibilities, the Company's business operations compared with the Company's goals, actual economic situations, and a remuneration comparison with other companies in the similar industry, in order to present obtained results of the assessment to Board of Directors' meetings for approval.

Nevertheless, a conclusion to the performance assessment of President and CEO is individual confidential which cannot be disclosed. Criteria for the assessment can be divided into 2 parts as follows:

Part 1: The Assessment of Key Performance Indicator (KPI)

Part 2: The Assessment of Competency

However, in 2020, the Company followed the principles of Good Corporate Governance but might cover criteria for the assessment of the survey of Corporate Governance Report of Thai Listed Companies and ASEAN CG Scorecard in some aspects which can be explained as follows:

- The Chairman was not an Independent Director because the Chairman was competent with knowledge, abilities, and diverse experiences which highly brought benefits to the organization.
- To specify a method of voting for directors by the cumulative voting in the General Meeting of Shareholders because mentioned practice did not suit the vote counting of the Company.
- To specify that Directors or Senior Executives informed the Committee or a person whose task was assigned to deal with buying or selling shares of his/her own company at least 1 day prior to the buying/selling date. It was because the Board of Directors has specified the Company's insider information measures to prohibit the Committees, executives, or units which had insider information; to disclose this insider information to outsiders or people who were not involved in as well as use this insider information for personal interest.
- To specify that the Board of Directors should consist of more than 50% of independent directors. The Company sets the policy and guidelines to conflict of interest, stipulating that no directors who have conflict of interest or concerned interest attend the Board of Directors' meeting to participate in decision making issues. If any agenda related to interest conflict or concerned interest, that director has to abstain his/her opinion for such agenda.

6. The Appointment of Auditors and the Remuneration of Auditors

The Audit Committee's consideration of the appointment and remuneration of auditors was submitted to the Board of Directors in order to be proposed to the shareholders. The proposal was considered through the auditors' qualifications, knowledge, abilities, experiences, and independence according to the rules of the Stock Exchange of Thailand and involved agencies, including the quality of the previous year's audit.

In the General Meeting of Shareholders on 5th August 2020, the shareholders considered and approved the appointment of the auditors from EY Office Co., Ltd. to be the Company's auditors as follows:

- | | |
|----------------------------------|----------------------------------|
| 1. Ms. Gingkarn Atsawarangsalit | CPA Registration No. 4496 and/or |
| 2. Mr. Chayapol Suppasdtanon | CPA Registration No. 3972 and/or |
| 3. Ms. Orawan Techawatanasirikul | CPA Registration No. 4807 and/or |
| 4. Ms. Sumana Punpongsanon | CPA Registration No. 5872 |

All 4 proposed auditors are on the list of auditors approved by the Office of SEC.

6.1 Audit Fee

The Company and its subsidiaries paid the audit fee to

- The Company's auditor (Ms. Gingkarn Atsawarangsalit or Mr. Chayapol Suppasdtanon or Ms. Orawan Techawatanasirikul or Ms. Sumana Punpongsanon)

In the previous year, with a total amount of -0- Baht

- An audit office where an auditor worked for (EY Office Limited), any individuals or businesses relating to an auditor and an audit office where an auditor worked for, in the previous accounting year, with a total amount of 12,657,100 Baht as follows:

- MBK Company Limited	2,267,650	Baht
- Subsidiaries	10,389,450	Baht

6.2 Non-Audit Fee

- None -

THE INTERNAL CONTROL AND RISK MANAGEMENT

The Internal Control System and Internal Audit

The Board of Directors and the Management Team have continuously placed importance on the internal control equipped with continuous monitoring because they realize that an internal control system is a crucial mechanism for the Company to be able to run its business and achieve its goals efficiently and effectively sustainable in order to gain long term returns, use resources and asset management, report financial information, have trustworthy operations, comply with

the law, rules, and prevent or reduce risks of any actions which may damage the Company's assets and reputation. The Company has improved the Internal Control System for the sake of its ongoing efficiency.

The Board of Directors allows the Audit Committee to supervise the internal control system, the risk management system, the corporate governance system, and follow the Company's policy and anti-corruption measures so that they are appropriate and efficient, including the compliance of related laws, orders and regulations, preventing conflicts of interest, related transactions to control and utilizing assets in order to prevent fraud or misconduct. The Company sets up an auditing mechanism for checks and balances by establishing the internal audit division which is independent and reports directly to the Audit Committee. It performs audit, evaluates the efficiency and sufficiency of the internal control system, the risk management system and the corporate governance system in the performances of all units in the Company and its subsidiaries. The frameworks of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) and Enterprise Risk Management, and monitoring regulations in compliance with the Stock Exchange of Thailand (SET), Thai Institute of Directors (IOD) are adopted to fulfill internal control, risk management, governance, and audit of policy compliance and anti-corruption measures in order to allow the Company's performance



to pursue the utmost of operational performance efficiently and effectively in order that the stipulated internal control system is performed as follows:

The Environment of the Control

- To set a written policy and rules and regulations relevant to the Good Corporate Governance (GCG) issuing guidelines which the Committees, executives, and employees have to perform, as well assessing the operations according to Good Corporate Governance and anti-corruption measures according to the principles of the Collective Action Coalition against Corruption (CAC).

- The Board has also supervised them to comply with stipulated roles and duties by setting the organizational structure and its distinct chain of command for checks and balances and setting its business goals and Key Performance Indicators (KPIs) in order to assess the efficiency and follow up its operational performance compared with the organization's goals regularly.

From a policy on Good Corporate Governance, business ethics and a code of conduct for the Company's directors, executives, and employees, a policy and its anti-corruption measures, a policy on notification of clues or complaints, the imposition of penalties for discipline violations and serious mistakes. The Company has monitored that aforementioned policies which are implemented. Its performance is efficient, transparent, and equitable. There is ongoing communication so that all employees acknowledge these policies and seriously implement them. It has also launched a campaign to promote every employee to have awareness and continuously act on this practice by providing the employees with knowledge training, reviewing and improving a manual of authority and a manual of operation systems

which are used as guidelines on performance and help with flexible and systematic business operations. The scope of duties and responsibilities, and the internal control system are taken into consideration in order that a system of the internal control is appropriate, consistent with current performance, and considers changes that possibly occur in the future.

The Risk Assessment

The Company realizes the importance of the risk management under changing circumstances which may affect the business operations, from the organization's both internal and external factors. The Company's Risk Management Committee (RMC) has been established in order to monitor the organization's risk management to achieve goals according to the organization's acceptable level. RMC then sets a policy on risk management in a written document and it is promulgated for the employees' acknowledgement. The risks from external and internal factors -covering different aspects of the risks - are evaluated and managed. For example, strategies, operations, finance, compliance, situations, including risks from corruption. These risks are divided into risks for MBK GROUP, its business group, its organization, and its division levels so that risks can be managed sufficiently, appropriately, and in a timely manner. Indicators used for the efficiency assessment of the risk management (Key

Risk Indicators or KRIs) are stipulated by arranging a quarterly meeting, and annually reviewing risk factors which are changing externally and internally that may affect the organization. It is regarded that the risk management is both duty and responsibility of every unit for its management and risk control. Moreover, a report is specified to be submitted to the Audit Committee and the Board of Directors in order that the risk management of the Company's operations is at acceptable level.

The Controlling Activities

The Company provides clear and proper internal control activities which help check the performance that follows rules and regulations and a performance manual regularly. The set policy and rules and regulations are written. Ethics, a code of conduct, and a policy on Good Corporate Governance are also provided for the employees to follow. Moreover, the Company clearly classify duties and responsibilities. The executives' authority over operations and a financial limit on approving transactions are clearly written. The internal audit regularly checks the sufficiency and appropriateness of the control system by setting an audit plan

covering the key work process.

The Information Technology System and the Communication

The Company realizes the importance of the IT system and the communication and always encourages the improvement of the system continuously in order to ensure that all information is accurate, sufficient, up-to-date, and catching up with expanding and changing circumstances of business operations as well as changing consumer behavior. The efficient and modern IT system, as well as information security from the process of collecting, processing, and storing, to following-up to bring such data, is adopted for work performance and important information are used for management by directors, executives, employees, shareholders, customers, or stakeholders. The information is complete, accurate, sufficient, and within an appropriate time so that it can be used in the business decision making. A policy regarding the security in the information technology and the use of information is also specified in order to ensure that the Company has appropriate safety measures of information. Various channels of communication are opened from both inside and outside the organization in order to have access easily and rapidly, as well as the channels of communication to receive notification of corruption (Whistle-blowing) through various channels established by the Company. Clues can be directly notified through various channels to the Audit Committee, CEO and President, and the Internal Audit Division. The Internal Audit Division will search for information and examine facts of notifications and complaints, including providing protection for whistle blowers or informants.

The System of Monitoring Activities

The Board of Directors provides a system to assess and monitor performance results by comparing operational results with the Company's goals which are then submitted to the Executive Committee and the Board of Directors every month. The Audit Committee is assigned to check the internal control system through the Internal Audit Division which is an independent division with responsibility for checking and verifying the performance, the internal control system for risk management, monitoring divisions and following up the results of corrections made by checked divisions in every issue until they are already corrected; in order to ensure that the internal control system appropriately and fully operates as specified and can

manage the changing risks in each period in time. Any issue impacting on the internal control will be reported to any persons in charge. Significant issues will be reported to top executives, the Executive Committee, the Audit Committee, and the Board of Directors within proper period.

Moreover, the evaluation of internal audit for accounting and finance is carried out by certified accountants and presented to the Audit Committee for consideration on a quarterly and yearly basis. As a result of reviews conducted by certified accountants, no significant fault is found.

The Audit Committee and the Board of Directors have assessed the sufficiency of the Internal Control System in accordance with guidelines stipulated by Securities and Exchange Commission (SEC) and the Internal Control-integrated Framework stipulate by the Stock Exchange of Thailand (SET). The Company has not found drawbacks which are significant to the Company's Internal Control System. The Company also gives useful recommendations. It is concluded that the Company has the sufficient and appropriate internal control and risk management for business operations which is consistent with the auditors' opinions.

The Audit Committee has monitored the Internal Audit Division to perform its duties with independence, fairness, ethics, and compliance with International Standards for the Professional Practice of Internal Auditing (IIA) so that assurance can be built and consultation is given in order that the working process within the organization monitors business, manages the risks, carries out the internal control, conforms to the law, rules, and regulations, as well as the accuracy of information of the Company and its subsidiaries. A report is submitted to the Audit Committee. Also, performance according to advice— as a result of what was found in monitoring— is followed up regularly, particularly, important or high risk-related issues and acknowledgement of reports on abnormal incidents such as corruption and malpractice in order to find causes and measures to prevent damage or reoccurrence so that it can ensure that the Company's performance has the sufficient, appropriate, and efficient internal control system as well as the risk management at the Company's acceptable level. For the Company's Good Corporate Governance, the Charters of the Audit Committee and the Charters of the Internal Audit Division and internal auditors' code of conduct are clearly set as guidelines for operations. Also, these are annually reviewed for their appropriateness. The Audit Committee has approved Ms.Yupapun

Paritranun to take the position of Head of the Internal Audit Division because she has knowledge and understanding of the Company's business very well, together with her capabilities and experiences which are suitable for the performance of this duty.

The Internal Audit Division has developed the internal audit system to accord with the International Standards for the Professional Practice of Internal Auditing (IIA) by utilizing the Information Technology System to help the audits and the satisfaction assessment of monitored executives. They are submitted to the Audit Committee annually and are used as data for the improvement of the working performance of the Internal Audit Division. Moreover, audit competency is imposed to assess the performance quality of internal auditors in order to continuously improve efficiency and effectiveness of the Internal Audit Division and recognize actual conditions and work performance so that problems, obstacles and working limitations related to work performance can be properly analyzed. Also, the internal auditors are developed so that their knowledge, skills, and competency meet an international standard and they can conduct the auditing more efficiently by means of encouraging them to receive training such as knowledge, professional expertise in internal audits, businesses of the Company Group, knowledge of other professionalism, and self-development by

taking examinations to get professional certificates of auditing or other auditing-related professions, for example.

The Risk Management

The Risk Management Committee of MBK GROUP

The Duties and Responsibilities of the Risk Management Committee

1. To impose MBK GROUP's policies and guidelines on risk management in order that MBK GROUP's operations reach its objectives and goals.
2. To analyze and evaluate incurred or possibly incurred risks at a level of MBK GROUP continuously and annually.
3. To consider, approve and review risk management plans of MBK GROUP annually.
4. To review and monitor risk management performance of MBK GROUP regularly.
5. To report to the Board of Directors and communicate risks and major risk management to the Audit Committee.
6. To support, follow up and develop risk management of MBK GROUP regularly.

The Corporate Group of MBK Public Co., Ltd. realizes the importance of

risk management as an important mechanism and tool to help the organization achieve the target objectives and goals. Therefore, the Company has set up a risk management policy that focuses on the improvement of the risk management system according to the good corporate governance guidelines and guidelines according to the anti-corruption policy and measures. There is an integrated risk management in order to be consistent in the Quality Management System (ISO 9001: 2015) which is implemented systematically and continuously throughout the organization.

The Corporate Group of MBK Public Co., Ltd. enforced risk management in order to conform to strategies and operations by covering all levels — from MBK GROUP, Business Unit (BU), key lines, Sub Business Unit (SBU), and MBK Shopping Center – in order that the organization can achieve its objectives and goals set at each level.

Risks at all levels of the organization and may directly affect the business can be divided into 5 aspects that may directly affect the business as follows:

- **Strategic Risk** is the risk in important strategies and policies of the Company. It can arise from inappropriate strategy formulation or implementation, or the inconsistency of the policy, targets, strategies, organization's structure, the state of competition, resources, plan implementation and environment. However, the Company has regularly followed up on important strategies and policies that may affect the Company's operational performance in order to achieve its strategic goals.
- **Operational Risk** is the risk that can arise from every operational process. It covers all factors related to the process, tools, IT, and personnel that may affect the operation of the organization. However, the Company has set up a clear operational process and a measure to supervise the work of each unit that may cause damage on the organization so that the operational performance can be correct and appropriate.
- **Financial Risk** is the risk that can arise out of the ineffectiveness of budget, financial problems and risks that can affect the performance and financial status of the organization. The Company has always generated

sufficient fund in time to reduce the risks that can affect the Company's investment.

- **Compliance Risk** is the risk that can arise out of the inability to comply with the regulations or the related rules and laws. It can be that the rules and laws are inappropriate and become an obstacle to the operation. However, the Company has also considered the compliance with the rules inside and outside the organization as well as important laws by supervising and examining the strict compliance by the related rules and laws.
- **Hazard Risk** is the risk that can affect the life safety of customers, tenants, employees and the organization's property. The hazard can come from both internal and external factors. The Company has set up a policy and safety measure to strictly prevent such risk that may cause damage to the Company.

Additionally, in regards to the investments in different projects, the Risk Management Committee (RMC) in each level (MBK GROUP / BU / MBK Center) has implemented a rule indicating that a request for the approval of specified budgets requires a risk analysis and an approval from the relevant committees. The Risk Management Committee (RMC) must always be informed to prevent any investment risk of the Company.

The Company continues to track the execution of risk management. All levels are required to submit a quarterly risk management report in order to reduce the risk to an acceptable level and allow the risk management plan to be reviewed and updated annually.

The Code of Ethics and Code of Conduct

The Board of Directors has made available the Code of Ethics and the Code of Conduct for directors, executives and the Company's staff. They serve as guidelines for all directors, executives and staff of the Company and its subsidiaries in carrying out their duties in honest, upright and fair manner. The purpose is to ensure that the Company's conduct of business affairs meets with the established objectives, taking into consideration the responsibility towards all groups of stakeholders including shareholders, customers, trading partners, competitors, creditors, staff, the society, communities, as well as the

environment. The codes also help enhance the positive corporate image that will bring greater stability to the Company. Adhering to the codes is also in line with the Company's good corporate governance principles.

In 2020, the Board of Directors revised manuals concerning business ethics and code of conduct of Directors, Executive and employees in line with the policy on the Good Corporate Governance and the policy and measures against corruption. The codes were announced and the related compliance manuals were prepared. Distributed to the directors, executives and employees of the Company as well as its subsidiaries, the compliance manuals were served as guidelines for performing their responsibilities. Every employee would be provided with training on code of ethics and code of conduct, ensuring that they had a correct understanding and were able to put them into practice. The Company also regularly and continuously organized activities aimed at providing all its employees with the knowledge about the codes and inculcating in them the consciousness of the codes.

The Company has determined to monitor and supervise the directors, the executives and the employees to practice in accordance to the business ethic and code of ethics by encouraging all the employees to understand the business operation manual of the ethics that the Company has established and use it as guidelines to perform their duties with integrity, honesty, and fairness. Those who refrain from these will be investigated and appropriate disciplinary punishment will

be made, which may be extent to the termination of employment and even legal action will be made in the case of illegal conduct.

The Conflicts of Interest

The Board of Directors has adopted a policy and various measures that serve as guidelines for dealing with conflicts of interest. The policy and the measures are in compliance with the guidelines given by the Stock Exchange of Thailand. In this connection, all employees of the Company are required to take into consideration the best interest of the Company when they make business decisions. In addressing conflicts of interest, the employees have to consider carefully and adhere to the principles of honesty, integrity and rationality as well as independence within the framework of good ethics. The Board of Directors also ensures that complete information is disclosed, mainly in the best interest of the Company. In considering and deciding on matters which require approval, those with conflicts of interest or those who are involved in the matters under consideration are prohibited from participating in the process. At the meetings of the Board of Directors in the past year, if there was an agenda item in which a director might have a conflict of interest, the director concerned would refrain from giving opinions or voting on the item.

As regards the transactions which may involve a conflict of interest, the Audit Committee will consider such related-

party transactions or any transactions in an appropriate and careful manner and in compliance with the requirements imposed by the Stock Exchange of Thailand before proposing them to the Board of Directors for consideration and approval. The information about the transactions has to be disclosed in the annual report and Annual Registration Statements.

To follow the principles of the Good Corporate Governance, the Company has determined that the directors and executives have to report their advantages and disadvantages, including their involved parties, according to laws and regulations, to the secretary of the Company as crucial information for following up and monitoring the directors and executives, their involved parties, in the management of the Company and its subsidiaries.

In 2020, there was no event shown inappropriate behavior or practice involving a conflict of interest.

The Supervision of Use of Insider Information

The Company places strong emphasis on the supervision of use of insider information. As a result, it has adopted a policy on Good Corporate Governance. As well, it has established its Code of Ethics and the Code of Conduct. The directors, executives and staff are prohibited from using insider information for their own benefits by taking advantage of their positions. They are also prohibited from getting involved in either any business that competes with the Company or any other related businesses. As well, they shall not use insider information in trading the company shares for their own or others' benefits, and shall give insider information to other people with caution. The related details are as follows:

The Company's Trading of Securities

The Company has imposed regulations on the prohibition period of buying or selling the Company's securities by specifying the certain period that directors, executives, and agencies receiving inside information are prohibited from trading the Company's securities between 6 days before the Company's financial statement submission to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and within 24 hours since the date that the Company submitted the financial statement, and are prohibited

from disclosing insider information to outsiders or people who do not have related duties as well as from using such information for their own or other people's direct and indirect benefits.

If any person violates these regulations, he/she has to be penalized according to the Securities and Exchange Act B.E. 2535 (as additional amendments) and if he/she is the Company's official or employee, he/she also has to be penalized according to the Company's regulations on work performance.

In 2020, there was neither misbehavior nor misconduct regarding using the Company's insider information.

The Changes in Holding Securities

The Board of Directors, top executives, or first 4 people holding the positions at the management level next below the executive with the highest position, everyone who holds the position equivalent to the one having the fourth-ranked position at the management level, and the one who holds the position higher or equivalent to the accounting manager, including their spouses and minor children are required to prepare and disclose reports annually to the Securities and Exchange Commission (SEC) when there are changes in their holding securities of MBK Public Co., Ltd., in compliance with Section 59 of the Securities and Exchange Act B.E. 2535. (as additional amendments) within 3 days since the date which changes are occurred.

Moreover, it specifies that Directors have to report trade in shares and/or possession of assets of the Company which have changes to the meeting of the Board of Directors for acknowledgement every time.

The Quiet Period

Giving information is limited prior to the date of the announcement of financial statements. The Company sets a prohibited period of giving information about the Company's business profits to specific individual groups such as analysts, investors, and shareholders at least 14 days prior to the revelation of the Company's financial statements; so that they acknowledge information on the same date with shareholders and general small investors who will be informed of business profits, when the Company holds a meeting of the Audit Committee in order to certify and reveal the above-mentioned financial statements.

PROFILES OF DIRECTORS AND EXECUTIVE MANAGEMENT OF THE COMPANY

The background and designation details of the Board of Directors and the Executive Management as of December 31, 2020

Name-surname/ position	Age (years)	Highest education	Shareholding in MBK				Shareholding in MBK includes MBK’ s shares held by their spouse and minor child				Relationship				
			31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year	31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
Board of Directors															
1. Mr. Banterng Tantivit Chairman	76	- Master of Science (Finance) in Management, Massachusetts institute of Technology (M.I.T.), U.S.A.	-	-	-	-	-	-	-	-	Mr. Banterng Tantivit is the father of Mr. Atipon Tantivit	7	2	-	
2. Mr. Suphadej Poonpipat Vice Chairman and Chairman of the Compensation and Nomination Committee	70	- Master of Science, University of Wisconsin, U.S.A.	-	-	-	-	-	-	-	-	-	6	4	-	

5 years previous working experience				Details of Training Program from IOD				Illegal Record
	Period	Position	Name of company-agency	Do not pass	Passed	IOD Course	Year	
	2006 - Present 1994 - Apr. 2018 1994 - 2006 Present 2003 - Present Sep. 2019 - Present 2002 - Dec.2019 2015 - Feb. 2017 1997 - Present 1987 - Present 1987 - Present	- Chairman of the Board of Directors - Chairman of the Executive Committee - Vice Chairman of the Board of Directors - Chairman of the Board of Directors and Director - Director - Chairman of the Board of Directors and Director - Chairman of the Board of Directors - Director - Chairman of the Board of Directors - Director - Director	- MBK Public Company Limited ("MBK") - MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - B.V. Holding Company Limited - Thanachart Insurance Public Company Limited - Thanachart Bank Public Company Limited - Dusit Thani Public Company Limited - Thanachart Capital Public Company Limited - Dee Buk Company Limited - Thai Farming Company Limited		✓	DAP	2004	None
	2006 - Present May. 2018 - Present 2003 - Apr. 2018 2015 - Present 2002 - 2015 Present 2007 - Jul. 2018 2007 - Jul. 2018 Dec. 2019 - Present 2005 - Dec. 2019 Sep. 2012 - Sep. 2019 Sep. 2019 - Present Dec. 2019 - Present 2003 - Present 2006 - Present Sep. 2012 - Present Sep. 2012 - Dec. 2017 2011 - Sep. 2012 2007 - Present 2013 - Dec. 2018 Oct. 2010 - Dec. 2018	- Vice Chairman of the Board of Directors - Chairman of the Executive Committee - Vice Chairman of the Executive Committee - Chairman of the Compensation and Nomination Committee - Member of the Compensation and Nomination Committee - Director - Director - Director - Vice Chairman of the Board of Directors and Vice Chairman of the Executive Committee - Vice Chairman of the Board of Directors and Chairman of the Executive Committee - Director and Chairman of the Executive Committee - Chairman of the Board of Directors - Vice Chairman of the Board of Directors - Vice Chairman of the Board of Directors and Vice Chairman of the Executive Committee - Director - Director - Chairman of the Board of Directors - Chairman of the Executive Committee - Vice Chairman of the Board of Directors - Vice Chairman of the Board of Directors and Chairman of the Executive Committee - Chairman of the Board of Directors - Chairman of the Risk Management Committee - Chief Executive Officer	- MBK - MBK - MBK - MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - Royal Orchid Hotel (Thailand) Public Company Limited - Thai Royal Orchid Real Estate Company Limited - Thanachart Bank Public Company Limited - Thanachart Bank Public Company Limited - Thanachart Insurance Public Company Limited - Thanachart Insurance Public Company Limited - Thanachart Insurance Public Company Limited - TMB Bank Public Company Limited - Siam Piwat Company Limited - Siam Piwat Holding Company Limited - Patum Rice Mill and Granary Public Company Limited - Patum Rice Mill and Granary Public Company Limited - Patum Rice Mill and Granary Public Company Limited - Thanachart Capital Public Company Limited - Thanachart Capital Public Company Limited - Thanachart Capital Public Company Limited		✓ ✓ ✓ ✓	DAP RCC RCP FGP	2004 2012 2012 2012	None

Name-surname/ position	Age (years)	Highest education	Shareholding in MBK				Shareholding in MBK includes MBK' s shares held by their spouse and minor child				Relationship				
			31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year	31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
3. Mr. Kasama Punyagupta Independent Director and Chairman of the Audit Committee	58	- MBA major in international Business, Bridgeport University, Connecticut, U.S.A.	-	-	-	-	-	-	-	-	-	-	2	-	
4. Mr. Pracha Jaidee Independent Director and Member of the Audit Committee and Member of the Compensation and Nomination Committee	65	- Master of Business Administration, Kasetsart University	-	-	-	-	-	-	-	-	-	2	1	-	
5. Mr.Suwit Rojanavanich Independent Director and Member of the Audit Committee	62	- MBA Major in Banking and Finance, North Texas State University, Texas, U.S.A. - BA Major in Accounting Theory, Chulalongkorn University, Bangkok, Thailand	289,000	0.017	289,000	-	-	-	-	-	-	-	1	-	
6. Ms. Panit Pulsirivong Independent Director and Member of the Compensation and Nomination Committee	72	- Honorary Degree of Director of Philosophy Faculty of Journalism and Mass Communication, Thammasat University - Master of Arts Faculty of Journalism and Mass Communication, Thammasat University	404,990	0.024	404,990	-	-	-	-	-	-	4	1	10	

5 years previous working experience				Details of Training Program from IOD				Illegal Record
	Period	Position	Name of company-agency	Do not pass	Passed	IOD Course	Year	
	Jul. 2019 - Present Apr. 2018 - Jun. 2019 2018 - Present 2014 - 2017 2014 - 2016 2004 - 2014	- Independent Director and Chairman of the Audit Committee - Independent Director and Member of the Audit Committee - Chairman Strategic and Investment Committee - Advisor Strategic and Investment Committee - Director Restructuring Plan Screening Subcommittee of State Enterprise Policy Commission - Independent Director Executive Committee and Investment Committee - Director The Strategy and Reform Committee - Director and Chairman Risk Management Committee - Chief Executive Officer	- MBK - MBK - The Erawan Group Public Company Limited - The Erawan Group Public Company Limited - Vayupak Fund and Vayupak Fund1 - Thai Airways International Public Company Limited - Zen Corporation Group Company Limited - The Erawan Group Public Company Limited		✓	DCP	2004	None
	2007 - Present 2006 - Present 2004 - Present 2004 - Present	- Independent Director and Member of the Audit Committee and Member of the Compensation and Nomination Committee - Director - Member of the Audit Committee - Advisor	- MBK - Batan Marble Company Limited - MBK Resort Public Company Limited - MBK Resort Public Company Limited		✓ ✓	ACP DAP	2007 2004	None
	Jul. 2019 - Present Oct. 2017 - Sep. 2018 2015 - 2017 2014 - 2015 2013 - 2014	- Independent Director and Member of the Audit Committee - Director-General - Director-General - Inspector General - Bond Market Advisor	- MBK - Fiscal Policy Office, Ministry of Finance - Public Debt Management Office, Ministry of Finance - Ministry of Finance - Public Debt Management Office, Ministry of Finance		✓	DCP	2012	None
	2006 - Present Present 1974 - Present 1988 - Present 1996 - Present 1997 - Present 1985 - 1996 1993 - Present 2015 - Present 1994 - 2015 2000 - Present 2005 - Present 2008 - Present 2014 - Present 2015 - Present 2015 - Present 1997 - Present 2008 - 2014	- Independent Director and Member of the Compensation and Nomination Committee - Chairman of the Board of Directors and General Manager - Executive Director - Managing Director - Vice Chairman - Vice Chairman - Director - Director - Chairman - Executive Secretary - Chief Operating Officer and Chairperson, Public Relations Department - Conciliator - Honorary Advisor to the Committee - Director - Sub Committee - Honorary Advisor - Vice Chairman - Ombudsman (Counselor)	- MBK - Naew Na Newspaper Company Limited - World Express Company Limited - Naew Na Network Company Limited - The Royal Chiangmai Golf Resort Co., Ltd. - Thammasat Association - Thammasat Association - One Thousand Baht Fund for the Building Celebrating 60 th Anniversary Thammasat University, Thammasat University - Bangkok Scholarship Foundation - Bangkok Scholarship Foundation - The Organ Donation Centre, The Thai Red Cross Society - The Samut Prakan Provincial Court - Committee on Social Development and Children, Youth, Women, the Elderly, the Disabled and the Underprivileged Affairs of the Senate, Kingdom of Thailand - Friends in Need (of "PA") Volunteers Foundation Thai Red Cross - Human rights and Education - President of the National Legislative Assembly - Wat That Thong Foundation (Wat That Thong Kindergarten) - The Government Complex Commemorating His Majesty (Chaengwattana)		✓ ✓ ✓ ✓	RCC ACP DCP DAP	2009 2006 2005 2004	None

Name-surname/ position	Age (years)	Highest education	Shareholding in MBK				Shareholding in MBK includes MBK' s shares held by their spouse and minor child				Relationship				
			31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year	31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
7. Mr. Piyaphong Artmangkorn Director	63	- Master Degree, Public Administration (Taxation), University of Southern California, U.S.A.	3,000,000	0.177	3,000,000	-	-	-	-	-	-	-	1	-	
8. Mr. Suwait Theeravachirakul Director and CEO	61	- Master of Business Administration, Wagner College, New York, U.S.A. - Chief Executive Program Capital Market Academy (CMA) - Anti-Corruption Strategic Management course for Senior Executives Sanya Dharmasakti Anti-Corruption Institute - Top Executive Program in Energy Literacy Thailand Energy Academy (TEA) - Top Executive Program in Commerce and Trade Commerce Academy, University of the Thai Chamber of Commerce (TEPCoT)	1,463,500	0.086	1,403,000	60,500	535,000	0.032%	470,000	65,000	-	84	5	-	
9. Mr. Hatchapong Phokai Director	59	- Master of Business Administration, Chulalongkorn University	-	-	-	-	-	-	-	-	-	11	1	-	
10. Mr. Atipon Tantivit Director	44	- Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration, Chulalongkorn University	400,000	0.024	400,000	-	6,050,000	0.357%	6,050,000	-	Mr. Atipon Tantivit is a son of Mr. Banterng Tantivit	10	1	-	

5 years previous working experience				Details of Training Program from IOD				Illegal Record
	Period	Position	Name of company-agency	Do not pass	Passed	IOD Course	Year	
	1998 - Present 2006 - Present 2005 - 2017 2016 - Dec. 2019 2005 - Feb. 2009 2001 - 2008 2000 - 2008 2005 - 2007	- Director - Member of the Executive Committee - Executive Vice President - Director and Executive Director - Chairman of the Board of Directors and Chairman of the Executive Committee - Director - Director - Director and Executive Director	- MBK - MBK - Thanachart Bank Public Company Limited - Thanachart Fund Management Company Limited - Thanachart Securities Public Company Limited - Thai Royal Orchid Real Estate Company Limited - Royal Orchid Hotel (Thailand) Public Company Limited - Thanachart Capital Public Company Limited		✓	DAP	2004	None
	2002 - Present 2002 - Present 2009 - Present Present 2007 - 2019 2017 - Present 2005 - Present 2005 - 2017 Dec. 2017 - Present 2009 - Present 2016 - Present 2007 - Jul. 2018 2000 - 2007 Apr. 2019 - Present May 2019 - Present Jun. 2020 - Present	- Director and CEO - Member of the Executive Committee - President - Chairman of the Board of Directors and Director - Independent Director and Member of the Audit committee - Independent Director and Chairman Member of the Audit committee - Member of Risk Management Committee - Independent Director and Member of the Audit Committee - Vice Chairman of the Board of Directors - Vice Chairman of the Executive Committee - Member of the Compensation and Nomination Committee - Chairman of the Executive Committee - Member of the Executive Committee - Independent Director and Chairman Member of the Audit committee - Director - Independent Director and Member of the Audit committee	- MBK - MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - IFS Capital (Thailand) Public Company Limited - Thai Rung Union Car Public Company Limited - Thai Rung Union Car Public Company Limited - Thai Rung Union Car Public Company Limited - Patum Rice Mill and Granary Public Company Limited - Patum Rice Mill and Granary Public Company Limited - Patum Rice Mill and Granary Public Company Limited - Royal Orchid Hotel (Thailand) Public Company Limited - Royal Orchid Hotel (Thailand) Public Company Limited - Dohome Public Company Limited - Duang Capital Company Limited - Kiattana Transport Public Company Limited		✓ ✓ ✓	SFE ACP DCP	2010 2006 2001	None
	2000 - Present Present 2000 - 2007 1999 - 2004	- Director - Director - Director - Director	- MBK - The subsidiaries and associates of MBK as shown on page 178-180 - NFS Asset Management Company Limited - Thanachart Securities Public Company Limited		✓	DAP	2004	None
	2003 - Present 2018 - Present 2020 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 2000 - Present 1987 - Present 2003 - Present 2003 - Present 2012 - Present	- Director - Member of the Executive Committee - Director - Managing Director - Director - Director - Director - Director - Director - Director - Director - Director - Director	- MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - B.V.Holding Company Limited - G.M.R.Company Limited - Kata Villages Company Limited - Learmsai Villages Company Limited - Phuket Development Company Limited - A.T. Design and Jewelry Company Limited - Thai Farming Company Limited - B.V. Company Limited - S.L.S Holding Company Limited - A.T. Venture Media Company Limited		✓	DCP	2006	None

Name-surname/ position	Age (years)	Highest education	Shareholding in MBK				Shareholding in MBK includes MBK's shares held by their spouse and minor child				Relationship				
			31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year	31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	

Executive Management

1. Mr. Suvait Theeravachirakul President and CEO and Managing Director Financial Business		The details of Mr. Suvait Theeravachirakul was shown on the part of the Board of Directors' background													
2. Mr. Pongsak Sabdasen Senior Executive Vice President, Office of President	69	- M.S. Industrial Management, Marywood College Scranton P.A., U.S.A.	-	-	-	-	-	-	-	-	-	3	1	-	
3. Mr. Kasemsuk Chongmankhong Managing Director Golf Business and Managing Director Other Business and Managing Director Corporate Supporting Center and Senior Executive Vice President, Finance and Administration	61	- Master of Accounting, Thammasat University	40,000	0.002	0	40,000	-	-	-	-	-	76	2	-	
4. Ms. Yupapun Paritranun Senior Executive Vice President, Internal Audit	56	- Master of Science, Chulalongkorn University - Certified Internal Auditor (CIA), The Institute of Internal Auditors, U.S.A.	61,000	0.004	61,000	-	-	-	-	-	-	1	1	-	
5. Mr. Somphol Tripopnart Managing Director Shopping Center Business	62	- Master of Business Administration (M.B.A.) Kasetsart University	140,000	0.008	160,000	(20,000)	-	-	-	-	-	11	1	-	
6. Mr. Apichat Kamoltham Senior Executive Vice President, Legal Division	60	- Master of Law Ramkhamhaeng University - Barrister at Law, Thai Bar Association	-	-	-	-	-	-	-	-	-	59	1	-	
7. Mr. Satit Saisorn Senior Executive Vice President Operation	56	- Master of Business Administration (M.B.A.) Kasetsart University	15,000	0.001	10,000	5000	-	-	-	-	-	11	1	-	

5 years previous working experience				Details of Training Program from IOD				Illegal Record
	Period	Position	Name of company-agency	Do not pass	Passed	IOD Course	Year	
	2006 - Present Present 2000 - 2006	- Senior Executive Vice President, Office of President - Director - Senior Executive Vice President, Operation	- MBK - The subsidiaries and associates of MBK as shown on page 178-180 - MBK		✓	DCP	2004	None
	2003 - Present Present	- Senior Executive Vice President, Finance and Administration - Director	- MBK - The subsidiaries and associates of MBK as shown on page 178-180		✓	DCP	2004	None
	2009 - Present 2000 - 2009 2000 - 2013 2004 - Present 2000 - 2003	- Senior Executive Vice President, Internal Audit - Executive Vice President, Internal Audit - Acting Vice President, Management Audit Department - Director - Acting Vice President, Operational Audit Department	- MBK - MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - MBK		✓	DCP	2005	None
	Nov. 2017 - Present Aug. 2018 - Aug. 2020 2013 - Feb. 2020 Present 2008 - 2013 2002 - 2008 2006 - 2007	- Managing Director, the Shopping Center Business - Acting Senior Executive Vice President, Marketing Division - Senior Executive Vice President Leasing and Tenant Relations Management Division - Director - Executive Vice President - Marketing director - Independent Director	- MBK - MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - Islamic Bank of Thailand - Krunghthai panich insurance public company limited - Ua Withya Public Company Limited		✓	DCP	2006	None
	Present 2010 - 2016 2007 - 2010 2005 - 2007	- Senior Executive Vice President, Legal Division - Executive Vice President, Legal Division - Director - Vice President Case & Juristic Person Department - Vice President of Legal & Debt Collection Department	- MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - MBK - Navaleasing Public Company Limited		✓	DCP	2011	None
	Present Present 2016 2011 - 2015	- Senior Executive Vice President Operation - Director - Executive Vice President Operation - Managing Director	- MBK - The subsidiaries and associates of MBK as shown on page 178-180 - MBK - Paradise Park Company Limited		✓	DCP FSD	2016 2016	None

Name-surname/ position	Age (years)	Highest education	Shareholding in MBK				Shareholding in MBK includes MBK' s shares held by their spouse and minor child				Relationship				
			31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year	31 Dec. 2020	(%)	31 Dec. 2019	Number of Shares: Increase (decrease) during the year		Number of position in Company Limited (Company)	Number of position in Public Company Limited (Company)	Number of position in legal person (Unit)	
8. Mr.Wisarn Sipiyarak Senior Executive Vice President Leasing and Tenant Relations Management Division and Acting Senior Executive Vice President, Marketing Division	53	- Master of Business Administration Kasetsart University	1,000	0.0001	0	1,000	-	-	-	-	-	-	1	-	
9. Mrs. Chaninchorn Predeeprompan Senior Vice President Human Resources Division and Acting Assistant Senior Executive Vice President 2, President Office	51	- Master of Science Mahidol University	100,000	0.006	60,000	40,000	-	-	-	-	-	1	1	-	
10. Mr. Sakchai Suthipipat Executive Vice President, President Office	48	- Master of Finance, Chulalongkorn University	-	-	-	-	-	-	-	-	-	6	1	-	
Secretary of the Company															
1. Ms. Chonlada Ngamnikulchalin Secretary of the Company and Senior Vice President, President Office	49	- Master of Business Administration Ramkhamhaeng University - Company Secretary Program (CSP # 114/2020)	23,000	0.001	13,000	10,000	-	-	-	-	-	-	2	-	

5 years previous working experience				Details of Training Program from IOD				Illegal Record
	Period	Position	Name of company-agency	Do not pass	Passed	IOD Course	Year	
	Present Aug. 2020 - Present 2561 - 2562 2559 - 2560 2555 - 2558	- Senior Executive Vice President Leasing and Tenant Relations Management Division - Acting Senior Executive Vice President, Marketing Division - Senior Corporate Account Manager - Assistant Vice President-Nalco Water - Assistant Vice President-Food+Bfverage	- MBK - MBK - Ecolab Co., Ltd. - Ecolab Co., Ltd. - Ecolab Co., Ltd.	✓				None
	Apr. 2020 - Present Jul. 2018 - Mar. 2020 Sep. 2018 - Present Jan. 2017 - Jun. 2018 2546 - 2559	- Senior Executive Vice President Human Resources Division - Executive Vice President Human Resources Division - Director - Assistant Senior Executive Vice President2, President Office, Strategic & Operation System Management - Senior Vice President Strategic & Operation System Management Department	- MBK - MBK - The subsidiaries and associates of MBK as shown on page 178-180 - MBK - MBK		✓	DCP	2019	None
	Jul. 2018 - Present Present Oct. 2013 - Jun. 2018 Mar. 2010 - Sep. 2013	- Executive Vice President Office of President - Director - Senior Vice President Office of President - Vice President Business Investment Department	- MBK - The subsidiaries and associates of MBK as shown on page 178-180 - MBK - MBK	✓				None
	Nov. 2020 - Present 2013 - Oct. 2020 Nov. 2020 - Present	- Secretary of the Company and Senior Vice President Compliance Department - Secretary of the Executive Committee - Secretary of Good Corporate Governance Committee - Senior Vice President Internal Audit2 Department - Secretary of the Company and Head of Compliance - Secretary of the Compensation and Nomination Committee - Secretary of Good Corporate Governance Committee	- MBK - MBK - MBK - MBK - PRG - PRG - PRG		✓	CSP	2020	None

Board of Directors and Executive Management	Companies																															
		Absolute Travel Company Limited	The Olympic Fitness Club Company Limited	C L P Management Company Limited	M G 1 Company Limited	Rehappy Plus Company Limited	Paemala Spa Company Limited	DMS Property Investment Private Limited	Riverdale Golf and Country Club Company Limited	MBK Resort Public Company Limited	Phuket Loch Palm Golf Club Company Limited	MBK Golf Management Company Limited	MBK Enterprise Company Limited	Lam Luk Ka Golf and Country Club Company Limited	MBK Real Estate Company Limited	Plan Estate Company Limited	Crystal Lake Properties Company Limited	Plan Appraisal Company Limited	Lan Bangna Company Limited	Kathu Land Company Limited	MBK Residence Company Limited	MBK Sukhumvit Company Limited	MBK Realty Company Limited	MBK Charan Company Limited	MG 6 Company Limited	Tantara Gallery Company Limited	MG 3 Company Limited	Patum Rice Mill and Granary Public Company Limited	PRG Properties Company Limited	Ratchasirima Rice Company Limited	MBK Food and Entertainment Company Limited	MBK Food Island Company Limited
BOARD OF DIRECTORS																																
Mr. Banterng Tantavit																																
Mr. Suphadej Poonpipat																																
Mr. Kasama Punyagupta																																
Mr. Pracha Jaidee																																
Mr. Suwit Rojanavanich																																
Ms. Panit Pulsirivong																																
Mr. Piyaiphong Artmangkorn																																
Mr. Suvatt Theeravachirakul																																
Mr. Hatchapong Phokai																																
Mr. Atipon Tantavit																																
EXECUTIVE MANAGEMENT																																
Mr. Suvatt Theeravachirakul																																
Mr. Pongsak Sabdasen																																
Mr. Kasemsuk Chongmankhong																																
Ms. Yupapun Paritranun																																
Mr. Somphol Tripopnart																																
Mr. Apichat Kamoltham																																
Mr. Satit Saisorn																																
Mr. Wisarn Sipiyarak																																
Ms. Chaninchorn Predeeprampan																																
Mr. Sakchai Suthipinart																																

Board of Directors and Executive Management	Companies	Innofood (Thailand) Company Limited	Sima Pac Company Limited	MBK Restaurant Group Limited	MBK Food Service Company Limited	MBK Guarantee Company Limited	Primacy Elegance Investments Limited	MBK Premium Company Limited	T Leasing Company Limited	MG 4 Company Limited	MG 7 Company Limited	MG 8 Company Limited	MBK Broker Company Limited	Max Asset Management Company Limited	MBK Life Assurance Public Company Limited	TM Broker Company Limited	MT Service 2016 Company Limited	Apple Auto Auction (Thailand) Company Limited	MBK Trading Company Limited	MBK Advanced Company Limited	MBK Training Center Company Limited	MBK Insurance Broker Company Limited	MBK Service Solution Company Limited	MBK Asset Company Limited	MBK Leisure Company Limited	MBK Club Company Limited	MBK Innovation Company Limited	MBK Food System Company Limited	MBK Contact Center Company Limited	TM Communications and Brand Management Company Limited	Puen Pob Patt Company Limited
BOARD OF DIRECTORS																															
	Mr. Banterng Tantivit																														
	Mr. Suphadej Poonpipat														x																
	Mr. Kasama Punyagupta																														
	Mr. Pracha Jaidee																														
	Mr. Suwit Rojanavanich																														
	Ms. Panit Pulsirivong																														
	Mr. Piyaphong Artmangkorn																														
	Mr. Suvait Theeravachirakul	x	x	x	x	x	/	x	x	x	x	x			/			x	x	x	x	x	x	x	x	x	x	x	/		
	Mr. Hatchapong Phokai																														
	Mr. Atipon Tantivit																														
EXECUTIVE MANAGEMENT																															
	Mr. Suvait Theeravachirakul	x	x	x	x	x	/	x	x	x	x	x			/			x	x	x	x	x	x	x	x	x	x	x	/		
	Mr. Pongsak Sabdasen																														
	Mr. Kasemsuk Chongmankhong	/	/	/	/	/	/	/	/	/	/	/	x			x	x	/	/	/	/	/	/	/	/	/	/	/	/	/	
	Ms. Yupapun Paritranun																			/											
	Mr. Somphol Tripopnart																												/		
	Mr. Apichat Kamoltham		/	/	/	/	/	/	/	/	/	/	/						/	/	/	/	/	/	/	/	/	/	/	/	
	Mr. Satit Saisorn																														
	Mr. Wisam Sipiyyarak																														
	Ms. Chaninchorn Predeeprampan																														
	Mr. Sakchai Suthipipat					/				/	/	/										/									

Notes: x = Chairman Δ = Vice Chairman of the Board of Director / = Directors // = Chairman of the Audit Committee /// = Directors of the Audit Committee ■ = Subsidiaries ■ = Associates

RELATED TRANSACTIONS

Policy on MBK's Related Transactions

The board of Directors and the Audit Committee consider and give opinions about related transactions or transactions possibly causing conflicts of interest between MBK and its subsidiaries by holding principles of prudence, rationality, fairness, consideration of stakeholders' involved interest, and disclosure of sufficient information to comply with rules and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

12.1 For the year ended 31 December 2020, 2019 and 2018 the Company and its subsidiaries have entered into related party transactions as set forth below:

Name of Entities	Country of Incorporation / nationality	Nature of relationships
Glas Haus Ratchada Company Limited	Thailand	Direct subsidiary of the Company
MBK Square Company Limited	Thailand	Direct subsidiary of the Company
MBK Smart Force Security Guard Company Limited	Thailand	Direct subsidiary of the Company
MBK Hotels and Resorts Company Limited	Thailand	Direct subsidiary of the Company
Supsinthanee Company Limited	Thailand	Direct subsidiary of the Company
Lanta Land Development Company Limited	Thailand	Direct subsidiary of the Company
MBK Business Company Limited	Thailand	Direct subsidiary of the Company
MBK Hotels and Tourism Company Limited	Thailand	Direct subsidiary of the Company
Riverdale Golf and Country Club Company Limited	Thailand	Direct subsidiary of the Company
Patum Rice Mill and Granary Public Company Limited	Thailand	Direct subsidiary of the Company
Primacy Elegance Investments Limited	British Virgin Island	Direct subsidiary of the Company
MBK Premium Company Limited	Thailand	Direct subsidiary of the Company
T Leasing Company Limited	Thailand	Direct subsidiary of the Company
X-Gen Premium Company Limited	Thailand	Direct subsidiary of the Company
MBK Center Company Limited	Thailand	Direct subsidiary of the Company
MBK Asset Company Limited	Thailand	Direct subsidiary of the Company
MBK Shopping Center Company Limited	Thailand	Direct subsidiary of the Company
MBK Training Center Company Limited	Thailand	Direct subsidiary of the Company
MBK Innovation Company Limited	Thailand	Direct subsidiary of the Company
MBK Insurance Broker Company Limited	Thailand	Direct subsidiary of the Company

Name of Entities	Country of incorporation / nationality	Nature of relationships
MBK Charan Company Limited	Thailand	Direct subsidiary of the Company
MBK Service Solution Company Limited	Thailand	Direct subsidiary of the Company
MBK Real Estate Company Limited	Thailand	Direct subsidiary of the Company
MBK Enterprise Company Limited	Thailand	Direct subsidiary of the Company
MBK Contact Center Company Limited	Thailand	Direct subsidiary of the Company
MBK Online Company Limited	Thailand	Direct subsidiary of the Company
MBK Club Company Limited	Thailand	Direct subsidiary of the Company
MBK Food System Company Limited	Thailand	Direct subsidiary of the Company
MBK Guarantee Company Limited ^A	Thailand	Direct subsidiary of the Company
Apple Auto Auction (Thailand) Company Limited ^B	Thailand	Direct subsidiary of the Company
M G 1 Company Limited	Thailand	Direct subsidiary of the Company
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited") ^C	Thailand	Direct subsidiary of the Company
The Nine Center Company Limited	Thailand	Indirect subsidiary of the Company
Paradise Park Company Limited	Thailand	Indirect subsidiary of the Company
Paradise Retail Company Limited	Thailand	Indirect subsidiary of the Company
Paradise Place Suanluang Company Limited	Thailand	Indirect subsidiary of the Company
Glas Haus Building Company Limited	Thailand	Indirect subsidiary of the Company
MBK Food and Entertainment Company Limited	Thailand	Indirect subsidiary of the Company
MBK Capital Company Limited	Thailand	Indirect subsidiary of the Company
Absolute Travel Company Limited	Thailand	Indirect subsidiary of the Company
MBK Leisure Company Limited	Thailand	Indirect subsidiary of the Company
MBK Food Island Company Limited	Thailand	Indirect subsidiary of the Company
Tantara Gallery Company Limited	Thailand	Indirect subsidiary of the Company
MBK Resort Public Company Limited	Thailand	Indirect subsidiary of the Company
NASSET PROPERTY FUND1	Thailand	Indirect subsidiary of the Company
Phuket Loch Palm Golf Club Company Limited	Thailand	Indirect subsidiary of the Company
PRG Properties Company Limited (Formerly known as "PRG Granary Company Limited")	Thailand	Indirect subsidiary of the Company
Ratchsima Rice Company Limited	Thailand	Indirect subsidiary of the Company

Name of Entities	Country of incorporation / nationality	Nature of relationships
Sima Pac Company Limited	Thailand	Indirect subsidiary of the Company
Innofood (Thailand) Company Limited	Thailand	Indirect subsidiary of the Company
Plan Estate Company Limited	Thailand	Indirect subsidiary of the Company
Crystal Lake Properties Company Limited	Thailand	Indirect subsidiary of the Company
C L P Management Company Limited	Thailand	Indirect subsidiary of the Company
Plan Appraisal Company Limited	Thailand	Indirect subsidiary of the Company
Lan Bangna Company Limited	Thailand	Indirect subsidiary of the Company
Kathu Land Company Limited	Thailand	Indirect subsidiary of the Company
MBK Residence Company Limited	Thailand	Indirect subsidiary of the Company
MBK Advance Company Limited	Thailand	Indirect subsidiary of the Company
MBK Sukhumvit Company Limited	Thailand	Indirect subsidiary of the Company
M G 3 Company Limited	Thailand	Indirect subsidiary of the Company
M G 4 Company Limited	Thailand	Indirect subsidiary of the Company
MBK Realty Company Limited	Thailand	Indirect subsidiary of the Company
MBK Restaurant Group Company Limited	Thailand	Indirect subsidiary of the Company
The Nine Tiwanon Company Limited	Thailand	Indirect subsidiary of the Company
MBK Golf Management Company Limited	Thailand	Indirect subsidiary of the Company
The Olympic Fitness Club Company Limited	Thailand	Indirect subsidiary of the Company
M G 6 Company Limited	Thailand	Indirect subsidiary of the Company
MBK Food Service Company Limited	Thailand	Indirect subsidiary of the Company
MBK Trading Company Limited	Thailand	Indirect subsidiary of the Company
MG 7 Company Limited	Thailand	Indirect subsidiary of the Company
MG 8 Company Limited	Thailand	Indirect subsidiary of the Company
MBK Broker Company Limited ^D (Formerly known as "PT Retail Corporation Limited")	Thailand	Indirect subsidiary of the Company
Siam Piwat Company Limited ^E	Thailand	Direct associate of the Company
Max Asset Management Company Limited	Thailand	Direct associate of the Company
Puen Pob Patt Company Limited	Thailand	Direct associate of the Company
Apple Auto Auction (Thailand) Company Limited	Thailand	Direct associate of the Company
Lam Luk Ka Golf and Country Club Company Limited	Thailand	Direct associate of the Company
MBK Life Assurance Public Company Limited	Thailand	Direct associate of the Company
MT Service 2016 Company Limited	Thailand	Direct associate of the Company

Name of Entities	Country of incorporation / nationality	Nature of relationships
TM Broker Company Limited	Thailand	Direct associate of the Company
Paemala Spa Company Limited	Thailand	Indirect associate of the Company
DMS Property Investment Private Limited	Maldives	Indirect associate of the Company
Royal Orchid (Thailand) Public Company Limited ^f	Thailand	Indirect associate of the Company
TM Communication and Brand Management Company Limited	Thailand	Indirect joint venture of the Company
Rehappy Plus Company Limited	Thailand	Indirect joint venture of the Company
Thanachart Capital Public Company Limited	Thailand	Controlling shareholder of the Company and common director
Thanachart Bank Public Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
Thanachart Insurance Public Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
NFS Asset Management Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
Thanachart Property Sector Fund 6	Thailand	Direct subsidiary of controlling shareholder of the Company
TS Asset Management Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
Thanachart Securities Public Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
Thanachart Fund Management Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
Ratchthani Leasing Public Company Limited	Thailand	Direct subsidiary of controlling shareholder of the Company
Thanachart Group Leasing Company Limited	Thailand	Indirect subsidiary of controlling shareholder of the Company
Thanachart Broker Company Limited	Thailand	Indirect subsidiary of controlling shareholder of the Company
Siam Piwat Holding Company Limited	Thailand	Subsidiary of associate of the Company
Siam Piwat Retail Holding Company Limited	Thailand	Subsidiary of associate of the Company

Name of Entities	Country of incorporation / nationality	Nature of relationships
Siam Professional management Company Limited	Thailand	Subsidiary of associate of the Company
Supremo Company Limited	Thailand	Subsidiary of associate of the Company
Dusit Thani Thai Property Public Company Limited	Thailand	Subsidiary of associate of the Company
Dusit Thani Public Company Limited ⁶	Thailand	The Group Company hold the equity 11.30% and common director

^A As at 31 December 2020, The Company has the indirect holding of 100.00% (2019: The Company has the direct holding of 66.67% and the indirect holding of 33.33% through Riverdale Golf and Country Club Company Limited, total direct and indirect holding of 100.00%.)

^B On 26 December 2019, the Company purchased additional shares from other shareholders. As a result, that company changed its status from a Direct to a subsidiary.

^C On 1 July 2020, the Company purchased additional shares from other shareholders. As a result, that company changed its status from an associate to a subsidiary.

^D On 5 August 2020, the Company purchased additional shares from other shareholders. As a result, that company changed its status from a joint venture to a subsidiary.

^E Proportion of investment in ordinary and preferred shares.

^F On date 2 July 2018, a subsidiary of the company sold all of ordinary shares of Royal Orchid (Thailand) Public Company Limited to third party.

^G On 9 May 2018, a subsidiary of the Company sold all of current investment-available-for-sale of Dusit Public Company Limited to third party.

12.2 Pricing Policy

The pricing policies for particular types of transactions are explained further below:

Transaction	Pricing Policies
Rental income	Market Price
Consulting fees	The same rate as the third parties
Management fees	Contract price
Dividend income	As declared
Employee expenses	115% of salary of hotel staff paid by a subsidiary for parent company
Hotel management fees	Contract price
Security expense	115% of security cost paid by subsidiary for parent company
Interest income	MOR and MOR rate less a fix rate
Interest expenses	MOR rate less a fix rate and fixed deposit rate of a local commercial bank per annum plus a fixed percentage
Purchase of investment in subsidiary	Contract price
Shared service income	Market price
Project management and sales commission income	The same rates as the third parties
Hotel franchise fee	The same rate as the third parties
Insurance premium	The same rate as the third parties
Sale of investment in current company	Contract price

12.3 Significant transactions for the year ended 31 December 2020, 2019 and 2018 with related parties were as follows:

Transactions with related parties

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Transaction with subsidiaries						
(Eliminated from the consolidated financial statement)						
Rental income :						
MBK Food Island Company Limited	-	-	-	11.57	20.60	24.31
MBK Food and Entertainment Company Limited	-	-	-	1.92	3.03	14.74
MBK Guarantee Company Limited	-	-	-	2.45	0.50	1.35
MBK Restaurant Group Company Limited	-	-	-	-	1.40	2.01
Innofood (Thailand) Company Limited	-	-	-	1.18	4.56	5.91
MBK Hotels and Tourism Company Limited	-	-	-	5.37	4.31	4.89
The Olympic Fitness Club Company Limited	-	-	-	3.66	-	-
PRG Properties Company Limited	-	-	-	-	-	1.32
(Formerly known as "PRG Granary Company Limited")	-	-	-	-	-	-
Total	-	-	-	26.14	34.40	54.53
Consulting fees :						
Plan Estate Company Limited	-	-	-	0.84	0.84	0.70
Plan Appraisal Company Limited	-	-	-	0.36	0.36	0.28
Lan Bangna Company Limited	-	-	-	0.06	0.06	0.36
MBK Real Estate Company Limited	-	-	-	1.31	1.31	1.00

	Consolidated financial statement			Separate financial statement			(Unit: Million Baht)
	2020	2019	2018	2020	2019	2018	
Transaction with subsidiaries							
(Eliminated from the consolidated financial statement)							
Consulting fees :							
MBK Resort Public Company Limited	-	-	-	0.04	0.12	0.08	
MBK Hotels and Resorts Company Limited	-	-	-	-	0.14	0.15	
Patum Rice Mill and Granary Public Company Limited	-	-	-	0.44	0.44	0.39	
Supsinthanee Company Limited	-	-	-	-	0.06	0.08	
T Leasing Company Limited	-	-	-	0.20	0.12	0.19	
MBK Guarantee Company Limited	-	-	-	0.08	0.09	-	
MBK Hotels and Tourism Company Limited	-	-	-	-	-	0.06	
Lanta Land Development Company Limited	-	-	-	-	0.07	-	
Riverdale Golf and Country Club Company Limited	-	-	-	0.06	0.09	0.04	
MBK Square Company Limited	-	-	-	0.04	0.07	-	
Glas Haus Building Company Limited	-	-	-	-	-	0.04	
MBK Realty Company Limited	-	-	-	0.04	-	0.07	
The Nine Center Company Limited	-	-	-	0.11	0.06	0.04	
Apple Auto Auction (Thailand) Company Limited*	-	-	-	0.19	-	-	
MBK Enterprise Company Limited	-	-	-	0.06	-	-	
Paradise Park Company Limited	-	-	-	0.11	0.10	0.07	
Total	-	-	-	3.94	3.93	3.55	

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Transaction with subsidiaries						
(Eliminated from the consolidated financial statement)						
Management fees :						
MBK Hotels and Resorts Company Limited	-	-	-	-	24.40	-
T Leasing Company Limited	-	-	-	5.29	3.90	-
MBK Guarantee Company Limited	-	-	-	14.72	17.06	-
Riverdale Golf and Country Club Company Limited	-	-	-	1.68	1.68	-
The Nine Center Company Limited	-	-	-	2.30	2.30	-
MBK Enterprise Company Limited	-	-	-	2.35	2.34	-
Apple Auto Auction (Thailand) Company Limited	-	-	-	6.89	-	-
MBK Smart Force Security Guard Company Limited	-	-	-	0.15	-	-
MBK Training Center Company Limited	-	-	-	0.87	-	-
Paradise Park Company Limited	-	-	-	13.77	13.60	12.00
Total	-	-	-	48.02	65.28	12.00

Transaction with subsidiaries

(Eliminated from the consolidated financial statement)

Dividend income :

Patum Rice Mill and Granary Public Company Limited	-	-	-	268.28	268.27	268.27
Riverdale Golf and Country Club Company Limited	-	-	-	337.50	307.50	337.49
MBK Hotels and Resorts Company Limited	-	-	-	374.00	1,383.80	165.00

Transaction with subsidiaries (Eliminated from the consolidated financial statement)	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Dividend income :						
Glas Haus Ratchada Company Limited	-	-	-	81.80	60.02	104.58
MBK Business Company Limited	-	-	-	55.83	46.42	47.74
MBK Premium Company Limited	-	-	-	32.50	29.50	26.00
Supsinthanee Company Limited	-	-	-	-	11.50	5.00
MBK Asset Company Limited	-	-	-	18.00	16.80	14.40
MBK Smart Force Security Guard Company Limited	-	-	-	3.20	3.50	3.88
MBK Center Company Limited	-	-	-	3.30	1.44	1.58
MBK Shopping Center Company Limited	-	-	-	43.75	280.00	101.50
MBK Square Company Limited	-	-	-	6.20	9.32	8.45
MBK Hotels and Tourism Company Limited	-	-	-	-	7.80	14.40
MBK Training Center Company Limited	-	-	-	1.95	2.30	2.40
MBK Charan Company Limited	-	-	-	-	-	0.71
MBK Service Solution Company Limited	-	-	-	10.88	6.00	6.00
MBK Innovation Company Limited	-	-	-	-	0.10	0.80
Apple Auto Auction (Thailand) Company Limited	-	-	-	20.24	18.00	16.65
Total	-	-	-	1,257.43	2,434.28	1,108.20

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	(Unit: Million Baht)					
	2020	2019	2018	2020	2019	2018
Transaction with subsidiaries						
(Eliminated from the consolidated financial statement)						
Employee expense:						
MBK Business Company Limited	-	-	-	103.75	221.58	231.13
Hotel management fees:						
MBK Hotels and Tourism Company Limited	-	-	-	27.46	48.26	51.81
Security expense:						
MBK Smart Force Security Guard Company Limited	-	-	-	59.65	62.29	51.74
Interest income:						
Riverdale Golf and Country Club Company Limited	-	-	-	248.11	521.62	303.30
MBK Hotels and Resorts Company Limited	-	-	-	-	-	2.83
T Leasing Company Limited	-	-	-	170.03	418.05	239.72
MBK Smart Force Security Guard Company Limited	-	-	-	0.02	0.06	0.01
MBK Shopping Center Company Limited	-	-	-	0.26	-	-
MBK Training Center Company Limited	-	-	-	0.06	0.08	0.04
MBK Enterprise Company Limited	-	-	-	22.77	-	-
MBK Charan Company Limited	-	-	-	2.00	-	-
MBK Real Estate Company Limited	-	-	-	0.01	10.45	1.63
MBK Contact Center Company Limited	-	-	-	2.00	1.57	1.17
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	-	-	-	0.01	-	-
MBK Club Company Limited	-	-	-	0.01	0.02	0.03

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Transaction with subsidiaries						
(Eliminated from the consolidated financial statement)						
Interest income (Con'd):						
MBK Center Company Limited	-	-	-	19.48	-	-
Total	-	-	-	463.29	951.85	548.73
Interest expense :						
MBK Business Company Limited	-	-	-	16.67	18.98	22.99
MBK Smart Force Security Guard Company Limited	-	-	-	2.25	0.08	0.17
MBK Hotels and Resorts Company Limited	-	-	-	45.34	48.37	53.15
Supsinthanee Company Limited	-	-	-	19.78	21.26	21.34
MBK Asset Company Limited	-	-	-	15.14	16.57	16.98
MBK Premium Company Limited	-	-	-	25.05	26.97	27.43
Glas Haus Ratchada Company Limited	-	-	-	44.61	47.63	49.02
MBK Shopping Center Company Limited	-	-	-	46.49	46.48	42.26
MBK Square Company Limited	-	-	-	4.94	5.30	3.81
MBK Center Company Limited	-	-	-	0.10	0.03	-
Primacy Elegance Investments Limited	-	-	-	13.20	12.80	12.16
Lanta Land Development Company Limited	-	-	-	4.22	4.37	3.80
X-Gen Premium Company Limited	-	-	-	3.03	3.39	3.29
MBK Training Center Company Limited	-	-	-	0.04	0.06	0.04
MBK Insurance Broker Company Limited	-	-	-	0.08	0.08	0.08

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	(Unit: Million Baht)					
	2020	2019	2018	2020	2019	2018
Transaction with subsidiaries (Eliminated from the consolidated financial statement)						
Interest expense: (Cont'd)						
MBK Innovation Company Limited	-	-	-	0.10	0.11	0.10
MBK Charan Company Limited	-	-	-	0.48	0.55	0.60
MBK Hotels and Tourism Company Limited	-	-	-	0.08	1.22	4.94
MBK Service Solution Company Limited	-	-	-	6.70	7.51	7.56
MBK Real Estate Company Limited	-	-	-	-	-	3.61
MBK Enterprise Company Limited	-	-	-	79.76	83.26	81.91
MBK Club Company Limited	-	-	-	0.07	0.01	0.22
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	-	-	-	0.02	0.03	0.02
MBK Contact Center Company Limited	-	-	-	-	-	-
MBK Online Company Limited	-	-	-	0.02	0.03	0.02
MBK Food System Company Limited	-	-	-	29.81	30.92	3.90
Apple Auto Auction (Thailand) Company Limited	-	-	-	5.71	-	-
M G 1 Company Limited	-	-	-	2.31	0.06	-
Total	-	-	-	372.82	376.04	359.38
Purchase of investment in subsidiary:						
MBK Food System Company Limited	-	-	-	-	-	17.21
MBK Guarantee Company Limited	-	-	-	904.80	1,600.00	-
M G 1 Company Limited	-	-	-	-	533.50	-
Total	-	-	-	904.80	2,133.50	17.21

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Transaction with associate						
Share service income:						
Paemala Spa Company Limited	0.94	2.08	1.98	0.94	2.08	1.98
Management fees:						
Apple Auto Auction (Thailand) Company Limited	-	6.58	6.71	-	6.58	6.71
Dividend income :						
Siam Piwat Company Limited	-	-	-	-	193.00	63.00
Max Asset Management Company Limited	-	-	-	-	-	35.52
Apple Auto Auction (Thailand) Company Limited	-	-	-	-	18.00	16.65
Lam Luk Ka Golf and Country Club Company Limited	-	-	-	-	6.76	6.71
Total	-	-	-	-	217.76	121.88
Project management and sales commission income:						
Max Asset Management Company Limited	4.92	8.10	2.30	-	-	-
Interest income:						
Paemala Spa Company Limited	0.18	0.21	-	-	-	-
Max Asset Management Company Limited	2.64	4.55	5.29	2.64	4.55	5.29
TM Broker Company Limited	0.11	0.10	0.13	0.11	0.10	0.13
DMS Property Investment Private Limited	-	0.12	0.23	-	-	-
MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")	-	0.65	1.85	-	-	-
Total	2.93	5.63	7.50	2.75	4.65	5.42

(Unit: Million Baht)

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Interest expense :						
Apple Auto Auction (Thailand) Company Limited	-	5.26	3.88	-	5.26	3.88
Lam Luk Ka Golf and Country Club Company Limited	-	0.18	-	-	0.18	-
Total	-	5.44	3.88	-	5.44	3.88
Transaction with related parties						
Rental income :						
Thanachart Capital Public Company Limited	14.69	12.44	23.74	14.58	12.44	23.74
Thanachart Bank Public Company Limited	84.26	94.59	86.96	31.74	45.86	39.25
Thanachart Securities Public Company Limited	25.32	27.39	27.35	25.02	27.39	27.35
Thanachart Insurance Public Company Limited	36.50	35.77	35.34	-	-	-
Thanachart Broker Company Limited	11.03	10.78	10.61	-	-	-
Total	171.80	180.97	184.00	71.34	85.69	90.34

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Transaction with related parties						
Dividend income :						
Thanachart Capital Public Company Limited	398.74	906.54	306.62	398.74	883.42	298.80
Dusit Thani Public Company Limited	-	-	15.18	-	-	-
Total	398.74	906.54	321.80	398.74	883.42	298.80
Project management and sales commission income :						
Thanachart Capital Public Company Limited	15.96	27.44	18.58	-	-	-
Thanachart Bank Public Company Limited	22.09	19.87	22.94	-	-	-
NFS Asset Management Company Limited	4.66	5.59	11.38	-	-	-
TS Asset Management Company Limited	4.14	10.56	11.02	-	-	-
Total	46.85	63.46	63.92	-	-	-
Hotel franchise fee:						
Dusit Thani Thai Property Public Company Limited	0.30	1.20	1.20	-	-	-
Insurance expense:						
Thanachart Insurance Public Company Limited	0.32	0.73	0.78	0.28	0.46	0.41
MBK Life Assurance Public Company Limited	0.19	0.23	1.31	0.05	-	1.04
Total	0.51	0.96	2.09	0.33	0.46	1.45
Bank fees:						
Thanachart Bank Public Company Limited	0.30	0.05	0.05	-	-	-
Sale of investment in current company:						
Siam Piwat Retail Holding Company Limited	-	129.43	-	-	-	-
Siam Professional management Company Limited	-	28.81	-	-	-	-
Supremo Company Limited	-	79.98	-	-	-	-
Total	-	238.22	-	-	-	-

(Unit: Million Baht)

Remaining balance of related parties as at 31 December 2020, 2019 and 2018 were as follows:

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Trade and other receivables:						
Subsidiaries :						
Patum Rice Mill and Granary Public Company Limited	-	-	-	0.03	0.01	0.02
MBK Business Company Limited	-	-	-	0.30	0.46	0.49
MBK Smart Force Security Guard Company Limited	-	-	-	0.03	0.01	0.04
MBK Hotels and Resorts Company Limited	-	-	-	0.22	24.41	0.04
MBK Food and Entertainment Company Limited	-	-	-	-	-	0.45
Supsinthanee Company Limited	-	-	-	0.34	0.02	0.02
MBK Resort Public Company Limited	-	-	-	0.28	0.15	0.19
Glas Haus Ratchada Company Limited	-	-	-	0.03	0.01	0.01
Absolute Travel Company Limited	-	-	-	0.33	0.04	0.02
MBK Food Island Company Limited	-	-	-	0.71	0.63	0.69
Plan Estate Company Limited	-	-	-	-	0.05	0.01
Plan Appraisal Company Limited	-	-	-	-	0.01	0.01
MBK Square Company Limited	-	-	-	0.03	0.01	0.01
MBK Guarantee Company Limited	-	-	-	16.90	17.08	0.10
Riverdale Golf and Country Club Company Limited	-	-	-	0.03	1.90	0.25
MBK Premium Company Limited	-	-	-	-	-	0.06
MBK Hotels and Tourism Company Limited	-	-	-	0.09	0.13	0.12
T Leasing Company Limited	-	-	-	6.10	4.63	0.66
Glas Haus Building Company Limited	-	-	-	0.01	0.04	0.03
MBK Golf Management Company Limited	-	-	-	0.01	-	0.01
The Nine Center Company Limited	-	-	-	4.76	2.37	0.06

	(Unit: Million Baht)			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2018
Trade and other receivables: (Cont'd)				
Subsidiaries :				
Lanta Land Development Company Limited	-	-	0.74	0.03
MBK Training Center Company Limited	-	-	0.01	0.01
Paradise Park Company Limited	-	-	0.04	0.26
MBK Real Estate Company Limited	-	-	0.01	0.09
MG1 Company Limited	-	-	0.05	-
MBK Realty Company Limited	-	-	0.01	0.02
MBK Sukhumvit Company Limited	-	-	0.02	0.02
Innofood (Thailand) Company Limited	-	-	-	0.05
MBK Contact Center Company Limited	-	-	0.02	0.17
MBK Club Company Limited	-	-	0.21	0.21
MBK Restaurant Group Company Limited	-	-	-	-
The Olympic Fitness Club Company Limited	-	-	1.33	1.21
Paradise Place Suanluang Company Limited	-	-	-	0.07
MBK Enterprise Company Limited	-	-	-	2.35
Apple Auto Auction (Thailand) Company Limited	-	-	0.60	0.21
Interest receivables - Riverdale Golf and Country Club Company Limited	-	-	0.37	46.79
Interest receivables - T Leasing Company Limited	-	-	9.08	34.62
Interest receivables - MBK Training Center Company Limited	-	-	0.01	0.01
Interest receivables - MBK Real Estate Company Limited	-	-	2.65	1.33
				0.32

	Consolidated financial statement				Separate financial statement			
	2020		2019		2020		2019	
	(Unit: Million Baht)							
Trade and other receivables: (Cont'd)								
Subsidiaries :								
Interest receivables - MBK Guarantee Company Limited	-	-	-	-	17.71	-	-	-
Interest receivables - MBK Hotels and Tourism Company Limited	-	-	-	-	0.07	-	-	-
Interest receivables - MBK Contact Center Company Limited	-	-	-	-	0.24	0.16	0.13	0.13
Associates :								
Paemala Spa Company Limited	0.14	0.22	0.20	0.20	0.14	0.22	0.20	0.20
Max Asset Management Company Limited	0.05	0.30	0.01	0.01	-	-	-	-
TM Broker Company Limited	2.06	2.64	1.68	1.68	-	-	0.02	0.02
MBK Life Assurance Public Company Limited	-	0.20	0.01	0.01	-	-	0.17	0.17
Apple Auto Auction (Thailand) Company Limited	-	-	3.12	3.12	-	0.21	1.16	1.16
Lam Luk Ka Golf and Country Club Company Limited	0.02	-	-	-	0.02	-	0.02	0.02
TM Communication and Brand Management Company Limited	0.02	-	-	-	0.02	-	-	-
Interest receivables - DMS Property Investment Private Limited	-	-	0.85	0.85	-	-	-	-
Interest receivables - TM Broker Company Limited	-	-	0.15	0.15	-	-	0.15	0.15
Joint venture :								
Rehappy Plus Company Limited	1.28	0.68	-	-	0.50	0.33	-	-
Related parties :								
Thanachart Bank Public Company Limited	0.24	0.22	0.73	0.73	0.01	-	-	-
Thanachart Capital Public Company Limited	4.40	0.03	0.09	0.09	4.39	-	-	-
Thanachart Securities Public Company Limited	0.03	-	-	-	0.02	-	-	-
Thanachart Fund Management Company Limited	-	0.01	0.01	0.01	-	-	-	-
NFS Asset Management Company Limited	-	0.14	0.06	0.06	-	-	-	-

	(Unit: Million Baht)			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2018
Trade and other receivables: (Cont'd)				
Related parties :				
Thanachart Broker Company Limited	6.35	6.58	-	-
Thanachart Insurance Public Company Limited	20.19	23.27	-	-
TS Asset Management Company Limited	-	0.01	-	-
Ratchthani Leasing Public Company Limited	-	0.02	-	-
Total	34.78	34.32	68.47	61.54
Subsidiaries :				
Riverdale Golf and Country Club Company Limited	-	-	-	5,916.67
MBK Hotels and Resorts Company Limited	-	-	13.53	-
T Leasing Company Limited	-	-	2,806.91	5,275.40
MBK Training Center Company Limited	-	-	3.23	6.23
MBK Real Estate Company Limited	-	-	433.03	135.82
MBK Contact Center Company Limited	-	-	46.71	31.13
MBK Guarantee Company Limited	-	-	3,806.61	-
MBK Smart Force Security Guard Company Limited	-	-	0.17	-
MBK Club Company Limited	-	-	-	0.09
Associates :				
Paemala Spa Company Limited	2.98	4.05	-	-
DMS Property Investment Private Limited	-	-	-	-

	(Unit: Million Baht)					
	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Trade and other receivables: (Cont'd)						
Associates : (Cont'd)						
TM Broker Company Limited	3.43	0.75	1.97	3.43	0.75	1.97
Max Asset Management Company Limited	48.36	51.67	131.97	48.36	51.67	131.97
Total	54.77	56.47	142.97	7,161.98	9,734.80	11,493.48
Loan to customer - Associate:						
MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")	-	-	37.50	-	-	-
Dividend receivable :						
Subsidiaries :						
MBK Business Company Limited	-	-	-	31.08	-	-
MBK Service Solution Company Limited	-	-	-	4.88	-	-
Related party:						
Thanachart Capital Public Company Limited	-	533.28	-	-	519.66	-
Total	-	533.28	-	35.96	519.66	-
Long term investment available for sales - Related party:						
Thanachart Capital Public Company Limited	4,599	7,151.02	6,643.44	4,482	6,950.42	6,463.24

	Consolidated financial statement			Separate financial statement			(Unit: Million Baht)
	2020	2019	2018	2020	2019	2018	
Trade and other payables							
Subsidiaries :							
MBK Smart Force Security Guard Company Limited	-	-	-	7.82	4.79	1.86	
MBK Hotels and Resorts Company Limited	-	-	-	-	0.12	0.04	
MBK Resort Public Company Limited	-	-	-	0.01	0.05	0.01	
MBK Food and Entertainment Company Limited	-	-	-	-	0.02	-	
MBK Food Island Company Limited	-	-	-	0.10	0.08	0.01	
MBK Square Company Limited	-	-	-	1.63	0.95	1.71	
C L P Management Company Limited	-	-	-	0.01	-	-	
MBK Training Center Company Limited	-	-	-	6.68	9.34	4.70	
MBK Business Company Limited	-	-	-	8.75	36.94	26.36	
MBK Restaurant Group Company Limited	-	-	-	-	-	0.03	
Patum Rice Mill and Granary Public Company Limited	-	-	-	0.09	0.02	0.58	
Riverdale Golf and Country Club Company Limited	-	-	-	0.03	0.06	0.04	
Paradise Park Company Limited	-	-	-	0.04	-	-	
Innofood (Thailand) Company Limited	-	-	-	-	-	0.02	
Crystal Lake Properties Company Limited	-	-	-	0.04	-	-	
PRG Properties Company Limited (Formerly known as "PRG Granary Company Limited")	-	-	-	-	0.28	-	
MBK Club Company Limited	-	-	-	1.57	1.12	1.31	

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
MBK Hotels and Tourism Company Limited	-	-	-	0.34	1.80	3.66
The Olympic Fitness Club Company Limited	-	-	-	0.04	0.31	0.02
MBK Enterprise Company Limited	-	-	-	0.03	-	0.02
MBK Contact Center Company Limited	-	-	-	0.10	0.56	0.06

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Trade and other payables (cont'd)						
MBK Trading Company Limited	-	-	-	11.16	4.53	0.05
Accrued interest expenses - MBK Business Company Limited	-	-	-	1.86	1.50	1.79
Accrued interest expenses - Riverdale Golf and Country Club Company Limited	-	-	-	2.25	-	-
Accrued interest expenses - MBK Smart Force Security Guard Company Limited	-	-	-	-	0.02	0.02
Accrued interest expenses - MBK Hotels and Resorts Company Limited	-	-	-	4.92	3.01	8.32
Accrued interest expenses - Supsinthanee Company Limited	-	-	-	2.25	1.76	1.83
Accrued interest expenses - MBK Asset Company Limited	-	-	-	1.16	1.36	1.44
Accrued interest expenses - MBK Premium Company Limited	-	-	-	2.68	2.23	2.32
Accrued interest expenses - Glas Haus Ratchada Company Limited	-	-	-	4.75	3.95	4.12

(Unit: Million Baht)

	(Unit: Million Baht)					
	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Accrued interest expenses - MBK Shopping Center Company Limited	-	-	-	5.35	3.92	4.08
Accrued interest expenses - MBK Square Company Limited	-	-	-	0.56	0.44	0.46
Accrued interest expenses - MBK Center Company Limited	-	-	-	0.02	0.01	-
Accrued interest expenses - Lanta Land Development Company Limited	-	-	-	0.41	0.36	0.30
Accrued interest expenses - MBK Innovation Company Limited	-	-	-	0.01	0.01	0.01
Accrued interest expenses - X-Gen Premium Company Limited	-	-	-	0.26	0.28	0.29
Accrued interest expenses - MBK Golf Management Company Limited	-	-	-	-	0.04	0.05
Accrued interest expenses - MBK Insurance Broker Company Limited	-	-	-	0.01	0.01	0.01
Accrued interest expenses - MBK Hotels and Tourism Company Limited	-	-	-	-	0.02	0.28
Accrued interest expenses - MBK Service Solution Company Limited	-	-	-	0.74	0.61	0.64
Accrued interest expenses - MBK Charan Company Limited	-	-	-	0.05	-	-
Accrued interest expenses - M G 1 Company Limited	-	-	-	0.18	-	-
Accrued interest expenses - MBK Enterprise Company Limited	-	-	-	9.15	6.98	7.03
Accrued interest expenses - MBK Club Company Limited	-	-	-	0.01	-	-
Accrued interest expenses - MBK Food System Company Limited	-	-	-	3.44	2.60	2.95
Accrued interest expenses - Apple Auto Auction (Thailand) Company Limited	-	-	-	1.03	-	-
Associates :						
MBK Life Assurance Public Company Limited	-	0.02	-	-	-	-
Apple Auto Auction (Thailand) Company Limited	-	-	0.89	-	1.16	0.89

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Related parties :						
Thanachart Bank Public Company Limited	78.92	71.63	-	-	-	-
Thanachart Insurance Public Company Limited	0.10	-	-	-	-	-
Thanachart Capital Public Company Limited	0.01	-	-	-	-	-
Ratchithani Leasing Public Company Limited	-	0.10	-	-	-	-
Total	79.03	71.75	0.89	79.98	91.24	77.31
Short term loan from :						
Subsidiaries :						
MBK Business Company Limited	-	-	-	370.51	371.22	417.91
Riverdale Golf and Country Club Company Limited	-	-	-	561.98	-	-
MBK Smart Force Security Guard Company Limited	-	-	-	-	5.09	4.37
MBK Hotels and Resorts Company Limited	-	-	-	978.99	963.78	1,991.02
Supsinthanee Company Limited	-	-	-	446.06	438.81	436.29
MBK Asset Company Limited	-	-	-	109.29	340.18	343.70
MBK Premium Company Limited	-	-	-	160.71	558.98	553.93
Glas Haus Ratchada Company Limited	-	-	-	179.91	993.42	983.55
MBK Shopping Center Company Limited	-	-	-	1,063.73	1,002.66	990.03
MBK Square Company Limited	-	-	-	110.87	109.33	110.26
MBK Center Company Limited	-	-	-	3.62	2.37	-
Primacy Elegance Investments Limited	-	-	-	311.98	279.18	259.88
Lanta Land Development Company Limited	-	-	-	81.32	88.56	74.42
X-Gen Premium Company Limited	-	-	-	51.21	71.39	68.03
MBK Insurance Broker Company Limited	-	-	-	1.83	1.75	1.70

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Short term loan from (Cont'd) :						
MBK Innovation Company Limited	-	-	-	2.30	2.33	1.73
MBK Golf Management Company Limited	-	-	-	-	10.58	11.68
MBK Charan Company Limited	-	-	-	10.84	-	-
MBK Hotels and Tourism Company Limited	-	-	-	-	9.72	58.72
MBK Service Solution Company Limited	-	-	-	147.11	153.56	152.09
MBK Enterprise Company Limited	-	-	-	1,811.04	1,749.69	1,672.36
MBK Club Company Limited	-	-	-	1.00	-	-
MBK Online Company Limited	-	-	-	0.07	0.55	0.52
MBK Food System Company Limited	-	-	-	680.34	651.65	620.84
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")				330.40	-	-
M G 1 Company Limited	-	-	-	36.30	61.70	-
Apple Auto Auction (Thailand) Company Limited	-	-	-	482.00	-	-
Associates :						
Apple Auto Auction (Thailand) Company Limited	-	-	292.00	-	360.00	292.00
Total	-	-	292.00	7,933.41	8,226.50	9,045.03
Other current liabilities – advance rental						
Related parties :						
Thanachart Capital Public Company Limited	5.34	3.24	2.84	3.24	3.24	2.84
Thanachart Bank Public Company Limited	37.43	25.87	27.51	13.09	13.09	15.14

(Unit: Million Baht)

	Consolidated financial statement			Separate financial statement		
	2020	2019	2018	2020	2019	2018
Thanachart Bank Public Company Limited	37.43	25.87	27.51	13.09	13.09	15.14
Thanachart Securities Public Company Limited	6.00	6.37	8.09	6.37	6.37	8.09
Thanachart Insurance Public Company Limited	9.20	9.20	8.84	-	-	-
Thanachart Broker Company Limited	2.88	2.77	2.66	-	-	-
Total	60.85	47.45	49.94	22.70	22.70	26.07

Advance rental and service deposits

Subsidiary:

MBK Food Island Company Limited

Deposits

Subsidiaries :

MBK Food and Entertainment Company Limited

MBK Food Island Company Limited

MBK Guarantee Company Limited

MBK Restaurant Group Company Limited

MBK Hotels and Tourism Company Limited

Innofood (Thailand) Company Limited

Joint venture :

Rehappy Plus Company Limited

Total

Long-term liabilities under finance lease agreement – Subsidiary:

MBK Premium Company Limited

-	-	-	-	276.54	299.06	321.53
-	-	-	-	-	4.26	4.26
-	-	-	-	0.31	0.31	0.31
-	-	-	-	0.60	-	0.34
-	-	-	-	-	-	1.07
-	-	-	-	1.31	1.31	1.19
-	-	-	-	-	2.44	1.47
0.40	-	-	-	0.40	-	-
0.40	-	-	-	2.62	8.32	8.64
-	-	-	-	10.06	13.86	18.56

REPORT ON THE RESPONSIBILITY OF THE BOARD OF DIRECTORS TOWARDS FINANCIAL REPORTS

Dear Shareholders of MBK Public Company Limited

The Company's Board of Directors is responsible for the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries as well as financial information presented in the annual reports. The financial statements for the year end December 31, 2020 have been prepared in accordance with Financial Reporting Standards. In preparing the financial statements, appropriate accounting policies have been adopted and regularly adhered to, using careful discretion and reasonable estimates. As well, key information has been adequately disclosed in the notes to the financial statements. The purpose is to ensure that the disclosed information rightly reflect the Company's financial status, performance and cash flows in transparent manner, which are beneficial to the investing public. Importantly, the certified auditor from EY Office Limited has audited the financial statements and issued an unqualified opinion on them. To enable the auditor to conduct the audit and provide the opinion in line with the audit standards, the Company provides the auditor with its support in terms of information and documents.

The Board of Directors has also put in place and maintained risk management systems, internal control systems, internal audit systems as well as appropriate and efficient corporate governance. The purpose is to ensure that the accounting information is accurate, complete and adequate, and that not only the Company's assets and risk protection are properly maintained but also fraud and significant irregular actions are prevented.

In this connection, the Board of Directors has appointed the Audit Committee with all of its members being independent directors. The Committee is responsible for reviewing accounting policies and ensuring the quality of financial reports. It is also responsible for reviewing internal control systems, the internal audit systems, and the risk management systems. As well, it is responsible for ensuring that the disclosure of information about related party transactions is complete, adequate and appropriate. The opinion of the Audit Committee is given in its report which is already included in this Annual Report.

The Board of Directors is of the opinion that the overall internal control systems are adequate and appropriate and gives rise to the reasonable confidence that the separate financial statements of the Company as well as the consolidated financial statements of the Company and its subsidiaries for the year end December 31, 2020 are reliable and in compliance with financial report standards as well as the related laws and regulations.



Banterng Tantivit
Chairman of the Board of Directors



Suvait Theeravachirakul
President and CEO

THE REPORT OF THE AUDIT COMMITTEE

Dear Shareholders of MBK Public Company Limited

The Audit Committee consists of 3 following independent directors with qualifications and expertise in accounting, finance, law, and management as follows:

1.	Mr. Kasama	Punyagupta	Chairman of the Audit Committee
2.	Mr. Pracha	Jaidee	Member of the Audit Committee
3.	Mr. Suwit	Rojanavanich	Member of the Audit Committee

Ms. Yupapun Paritranun, Senior Executive Vice President, Internal Audit Division, acts as the Secretary of the Audit Committee.

Committee has performed its duties within the scope of responsibilities identified in the charter of the Audit Committee which is assigned by the Board of Directors. It also complies with good practice of the Stock Exchange of Thailand. In 2020, the Audit Committee convened a total of 15 meetings. The meetings were held with the Company's Management Team, the Internal Audit Division, and auditors, for various issues under the umbrella of the Audit Committee's duties. The Audit Committee also held some specific meetings with the Management Team. The report of the meeting was submitted to the Board of Directors for acknowledgement every time. The main points can be summarized as follows:

The Financial Statement Reports

The Audit Committee, together with the auditors, executives from the Finance and Administration Division, and the Internal Audit Division, review the Company's quarterly and the yearly financial statements as well as the consolidated financial statements of the Company by verifying the accuracy and completeness of the financial statements, connected transactions and key adjusted entries, including accounting estimates which have an effect on the financial statement, the suitability of the accounting policy, the disclosure of information which is accurate, complete, and sufficient, auditors' opinions on the Key Audit Matters (KAMs) in order to ensure that the financial statement's preparation follows accounting standards and is trustworthy and in time. Also, the information is sufficiently disclosed for the sake of the financial statement's users.

Moreover, the Audit Committee also held some specific meetings with the auditors— while the Management Team did not attend the meetings— in order to take advice on independence during performing their duties and giving opinions about the Company's financial statements.

The Related Transactions or Potential Conflict of Interest Transactions

The Audit Committee considered and gave opinions about connected transactions, related party transactions, or transactions that might give rise to a conflict of interest, holding to the principles of reasonability, transparency, and the sufficient disclosure of information, as well as the Company and stakeholders' benefits taken into consideration. Opinions were made before they were proposed to the Company's Board of Directors or shareholders according to the regulations of the Stock Exchange of Thailand.

The Risk Management and the Corporate Governance

The Audit Committee verified the efficiency and the effectiveness of the risk management's process, plans, as well as guidelines on the risk management affecting the Company's performance, corporate governance, and anti-corruption measures. As well, the Audit Committee was apprised of the Company's whistle-blowing or complaints by taking the significant reports given by the Internal Audit Division and auditors into consideration and giving opinions about the assessment of the Company's sufficiency, appropriateness, transparency, efficiency of the risk management, and corporate governance.

The Compliance with Rules and Regulations

The Audit Committee verified the Company's performance in order to ensure that it was compliant with law and stipulations imposed by the regulatory authorities, as well as acknowledged changes of rules and regulations which had an impact on the Company's business operations.

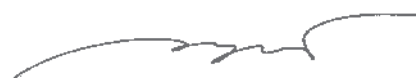
The Internal Control and the Internal Audit

The Audit Committee reviewed the Charter of the Audit Committee and the Charter of the Internal Audit Division annually, by verifying that the Company had its internal control system and internal audit which were efficient, giving internal examiners some advice about the audit's planning and approving the annual audit's plan, considering the audit's report, following up results of corrections according to the audit's report in significant issues, considering the sufficiency and the appropriateness of personnel, and the independence of the internal audit, as well as giving advice on improving the internal audit to be efficient.

Considering the Selection of Auditors and Their Remuneration

The Audit Committee selected and considered the remuneration of the auditors of EY Office Company Limited by considering the auditors' qualifications, knowledge, capabilities, experiences, quality of work in the past, and independence in accordance with the regulations of the Stock Exchange of Thailand or other related agencies. The Audit Committee viewed that the auditors had good understanding of the Company's business. Therefore, the Audit Committee proposed to the Board of Directors for approval given by the Annual General Meeting of Shareholders in order to appoint EY Office Company Limited as the Company's auditor and approve the audit's remuneration for the year 2020.

The Audit Committee carried out its duties within the scope assigned by the Board of Directors, which conformed to the Charter of the Audit Committee, by exercising knowledge, abilities, precautions, prudence, independence, as well as giving straightforward opinions for the Company's utmost benefits according to principles of the Good Corporate Governance. The Audit Committee deemed that during the accounting period ended on 31st December 2020, the Company provided the accurate financial statement according to the financial reporting standard, sufficient and appropriate disclosure of information, efficient internal control system, and appropriate risk management which harmonized with the environment of its business operations and complied with related stipulations and regulations.



Mr. Kasama Punyagupta
Chairman of the Audit Committee
25th February 2021

THE REPORT OF THE EXECUTIVE COMMITTEE

Dear Shareholders of MBK Public Company Limited

The Board of Directors has approved the formation of the Executive Committee. Currently, the Executive Committee consists of four directors as follows:

1.	Mr. Suphadej	Poonpipat	Chairman of the Executive Committee
2.	Mr. Piyaphong	Artmangkorn	Director of the Executive Committee
3.	Mr. Suvait	Theeravachirakul	Director of the Executive Committee
4.	Mr. Atipon	Tantivit	Director of the Executive Committee

Ms. Chonlada Ngamnikulchalin acts as the Secretary of the Executive Committee.

The Executive Committee's duties are to regulate the management of business operations of the Company and its subsidiaries' companies, as assigned by the Company's Board of Directors, by using knowledge, performance's capabilities with responsibilities, caution, circumspection, honesty, transparency, rationality, consistency in situations, under law and the Company's conditions, rules, and regulations, in order to run business to achieve the organization's vision, missions, goals, and business strategies to the fullest and before submitting proposals to the Company's Board of Directors for consideration. The optimum benefits of the Company, shareholders, stakeholders of every party are taken into consideration in order to build confidence in the organization's performance and regulation efficiently and sustainably.

In 2020, the Executive Committee had 12 meetings in total for considering, scrutinizing, and proposing guidelines on solving problems and suggestions for the Company's important issues— prior to submitting proposals to the Company's Board of Directors for consideration— which could be summarized as follows:

- To consider policies and strategic business plans for business operations of the Company and its subsidiaries' companies, and to consider the appropriateness of both short-term and long-term strategic plans, business plans, the annual budget, and the management costs in order to submit proposals to the Company's Board of Directors. The overall operations had been followed up continuously and monthly. The Executive Committee also provided useful suggestions for managing and running strategy-oriented operations as well as passing such plans to executives and employees at all levels for their acknowledgement in order to carry out the plans consistently in the set goals.
- To consider the Company's structure, its authority, its salary structure, and its annual remuneration for the Company's employees and executives in order to be appropriate for and consistent in the policies and strategic plans.
- To consider the liquidity management and investment in projects of the Company and its subsidiaries' companies by analyzing opportunities and threats occurred in the investment. The Executive Committee also formulated policies on financial risk management or investment in projects as well as monitoring and evaluating results in order to increase the competitive advantage and potential opportunities for investment.

- To consider credit limit of the financial risk management as well as promoting the Company's financial credit.
- To regulate and monitor the sub-committees' management conforming to the law's stipulations in order not to have conflict of interest as well as monitoring the management of the sub-committees and being informed of problems and obstacles so that the Executive Committee could consider solutions to the problems so that the performance was carried out most efficiently and effectively.



Mr. Suphadej Poonpipat
Chairman of the Executive Committee

THE REPORT OF THE COMPENSATION AND NOMINATION COMMITTEE

Dear Shareholders of MBK Public Company Limited

The Company's Board of Directors approved the establishment of the Compensation and Nomination Committee on 23rd February 2007. Currently, the Compensation and Nomination Committee consists of three members as follows:

- | | | |
|----|------------------------|--|
| 1. | Mr. Suphadej Poonpipat | Chairman of the Compensation and Nomination Committee |
| 2. | Ms. Panit Pulsirivong | Member of the Compensation and Nomination Committee (Independent director) |
| 3. | Mr. Pracha Jaidee | Member of the Compensation and Nomination Committee (Independent director) |

Mr. Thaneit Khantigaroon acts as the Secretary of the Compensation and Nomination Committee.

The Compensation and Nomination Committee carried out its duties assigned by the Company's Board of Directors with circumspection, prudence, transparency, and independence— as stipulated in the Charter of the Compensation and Nomination Committee and consistent in the Good Governance's principles for the maximum benefits of the Company, shareholders, and stakeholders of every party.

In 2020, the Compensation and Nomination Committee held 1 meeting in order to consider important issues regarding assigned duties and responsibilities and report the minutes— together with opinions— to the Board of Directors. The important issues taken into consideration were as follows:

- To review and propose names of candidates who were qualified legally and in compliance with the rules and regulations related to the directorship which its office term expired by considering the nomination, selection, and proposal for persons whose qualifications, experiences, knowledge, and abilities encouraged and suited the Company's business types. The names were then proposed to the Board of Directors' meetings and the ordinary shareholders' meetings.
- To consider the remuneration of the Board of Directors and the committees by considering suitability for duties, entrusted responsibilities, performance, and the remuneration rate compared with the industry benchmark in order to be taken into consideration by the Board of Directors and the ordinary shareholders' meetings for approval.
- To encourage and support the Company to open up an opportunity for shareholders to propose an agenda for the annual meeting of shareholders 2021 and propose names of qualified candidates in order to be considered for appointment as directors in compliance with disclosed rules on the website of the Company from 29th September 2020 to 30th December 2020.
- To considers the remuneration of Chief Executive Officer and President, Senior Executive Vice President and Executive Vice President, by considering the appropriateness of each position's assigned duties and responsibilities, the performance of the Company in comparison with the established targets and the real economic situations, as well as comparing with similar-sized listed companies or companies in the same industry in order to motivate and retain quality top executives.

- To follow up and monitor the Company's appropriate succession plan and continuity of management for top executives and important positions in order to prepare personnel for supporting and conforming to the expansion of business.
- To follow up and monitor the policy on equitable and appropriate remuneration of employees so that it could motivate the performance's efficiency and maintenance of personnel possessing knowledge and capabilities to continue working with the Company.
- To organize a performance evaluation of the Compensation and Nomination Committee 2020 and submit an evaluation report to the Board of Directors in order to improve the performance to be efficient, together with revealing the evaluation's results in the annual report.

The policy on the compensation and nomination as well as details of the compensation and nomination's process are already disclosed in this annual report.



Mr. Suphadej Poonpipat
Chairman of the Compensation
and Nomination Committee

THE REPORT OF THE GOOD CORPORATE GOVERNANCE COMMITTEE

Dear Shareholders of MBK Public Company Limited

The Company's Board of Directors approved the establishment of the Good Corporate Governance Committee on 3rd June 2015. The Good Corporate Governance Committee consists of ten members as follows:

1.	Mr. Banterng	Tantivit	Chairman of the Good Corporate Governance Committee
2.	Mr. Suphadej	Poonpipat	Member of the Good Corporate Governance Committee
3.	Mr. Kasama	Punyagupta	Member of the Good Corporate Governance Committee
4.	Mr. Pracha	Jaidee	Member of the Good Corporate Governance Committee
5.	Mr. Suwit	Rojanavanich	Member of the Good Corporate Governance Committee
6.	Ms. Panit	Pulsirivong	Member of the Good Corporate Governance Committee
7.	Mr. Piyaphong	Artmangkorn	Member of the Good Corporate Governance Committee
8.	Mr. Suvait	Theeravachirakul	Member of the Good Corporate Governance Committee
9.	Mr. Hatchapong	Phokai	Member of the Good Corporate Governance Committee
10.	Mr. Atipon	Tantivit	Member of the Good Corporate Governance Committee

Ms. Chonlada Ngamnikulchalin, the Company Secretary and Senior Vice President of the Compliance Department, acted as Secretary of the Good Corporate Governance Committee.

The Good Corporate Governance Committee is responsible for considering and reviewing the policy on Good Corporate Governance and guidelines on corporate governance appropriate with the Company in order to comply with international standards of Good Corporate Governance. Under relevant law, principles and regulations, the Good Corporate Governance Committee gives supervision and advice in accordance with the policy on Good Corporate Governance. The Committee also provides monitoring and internal audits concerning anti-corruption measures.

For the year 2020, the Good Corporate Governance Committee continuously promoted and encouraged the Company to have the system of the Good Corporate Governance as well as the determination of improving the Company's Good Corporate Governance continuously. One meeting was held in order to carry out its duties according to its specified responsibility. It was then reported to the Board of Directors. Its important operations were as follows:

- To review the manual of the Company's Good Corporate Governance policy and business ethics to ensure that the manual is complete, clear, and up-to-date. It refers to CG Code stipulated by Securities and Exchange Commission (SEC) and conforms to the guidelines and principles according to standard of the ASEAN CG Scorecard under the CGR Project of the Thai Institute of Directors (IOD) and aligns with the anti-corruption policy.
- To establish the policy for subsidiaries of MBK to join Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) as well as being informed of the subsidiaries' performance of the CAC project and the change of self-assessment of anti-corruption measures and the IOD's process of submitting a request for certification for such project.

- To oversee and follow up progress of operations, according to the Good Corporate Governance policy and the anti-corruption policy, and the operations of the sustainable development. The company shall continuously promote and support the strength of communities, the society, and environment, by applying the Company's expertise in creating economic value for the organization together with the society. Also, the conservation of energy and natural resources has been implanted in all employees' consciousness through CSR-in-process and social activities for the sake of the sustainable development of both the organization and the whole society.
- To establish the policy for every executive and employee to annually have a test for rules, regulations, policies, and guidelines anti-corruption through the online system in order to ensure that every executive and employee have knowledge and understanding, as well as carrying out their duties appropriately. The test's results are assessed for their levels of knowledge and understanding in order that communication can be improved. Therefore, they thoroughly have understanding and realize their duties to promote the organization's Good Corporate Governance.
- To supervise and support the Company's performance to follow the principles of Good Corporate Governance, resulting that the Company has been assessed for the Good Corporate Governance of Listed Companies at the "Excellent" level for 5 consecutive years since 2016, as well as giving recommendations for the development of the Corporate Governance according to a project on promoting the Corporate Governance with emphasis on work operations and performance in order to conform with principles of Good Corporate Governance.
- To supervise MBK's companies for the Corporate Governance by considering the annual assessment since 2018. the Company's Internal Audit Division carries out the assessment and approves the making of "the Action Plan for Good Corporate Governance" (Action Plan GCG) of MBK's companies in order to improve the Good Corporate Governance stipulated by the policy.

The Good Corporate Governance Committee is determined to improve the organization's performance in order to conform to the policy on the Good Corporate Governance and business ethics strictly. The Committee also supports the improvement of the Good Corporate Governance which conforms to changing situations. This reflects the transparency, disclosure, verification, and readiness to support the performance of the Company's Board of Directors. As well, the Committee places emphasis on the sustainable development, creating value added to the organization, and giving confidence for shareholders, including all parties who contribute to organization's growth in a sustainable manner.



Mr. Banterng Tantivit
Chairman of the Good Corporate
Governance Committee

MANAGEMENT DISCUSSION AND ANALYSIS

MBK Public Company Limited and
For the year ended 31 December 2020

Analysis of operating results

1. Overall operating results

The operating results of MBK Public Company Limited and its subsidiaries ("the Group") for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Million Baht)

For the years ended 31 December				
	2020	2019	Inc/(Dec)	
1) Operating revenue	8,636	10,287	(1,651)	(16%)
2) Operating profit	626	1,520	(894)	(59%)
3) Share of profit (loss) from investments in associates and joint venture	(227)	769	(996)	(130%)
4) Other income	598	1,194	(596)	(50%)
5) Finance costs	(550)	(346)	(204)	(59%)
6) Income tax expense	(255)	(345)	90	26%
7) Net profit	192	2,792	(2,600)	(93%)
8) Loss (profit) attributable to non-controlling interest of the subsidiaries	(43)	8	(51)	(638%)
9) Net profit – attributable to equity holders of the Company	149	2,800	(2,651)	(95%)
10) Earnings per share (Baht)	0.11	2.12	(2.01)	(95%)

Net profit attributable to equity holders of the Company – Excluded special items

For the years ended 31 December				
	2020	2019	Inc/(Dec)	
9) Net profit – the Company	149	2,800	(2,651)	(95%)
<u>Less</u> Gain on sales of investments – net tax	-	(31)	31	
<u>Less</u> Special dividend income from a related company	-	(533)	533	
<u>Less</u> Profit sharing from an associate - gain on sales of operating assets	-	(250)	250	
Net profit – the Company (Excluded special items)	149	1,986	(1,837)	(92%)

The overall operating results of the Group for the year ended 31 December 2020 in comparison with the same period of last year showed that the revenue for the years ended 31 December 2020 and 2019 were Baht 8,636 million and Baht 10,287 million, respectively, decreased by Baht 1,651 million or 16%. The net profit attributable to equity holders of the Company ("the net profit") for the years ended 31 December 2020 and 2019 were Baht 149 million and Baht 2,800 million, respectively, decreased by Baht 2,651 million or 95%.

However, if the net profit for the year 2019 excluded the following special items, (i) gain on sales of investments in marketable securities and associate – net tax of Baht 31 million, (ii) special dividend income from a related company of Baht 533 million, and (iii) profit sharing from gain on sales of operating assets of Baht 250 million, the net profit for the year 2019 would be Baht 1,986 million. Therefore, the net profit for the year 2020 in comparison with 2019 (excluded the above special items) would decrease by Baht 1,837 million or 92%.

The significant changes were as follows:

a) The spread of Corona Virus ("COVID-19")

The World Health Organization (WHO) has announced the spread of COVID-19 to "Pandemic" after the infection spread rapidly in all regions of the world. Many countries around the world including Thailand are implementing a lockdown measure to control the outbreak of the COVID-19 disease. This measure has affected the business, employment, and people around the world. This situation has caused the global economy to enter a recession in this year and stock market also declined.

On 21 March 2020, the Center for COVID-19 Situation Administration resolved to temporarily close the risky locations effective from 22 March 2020. The Group had to temporarily close the business of shopping center, golf course and food center according to the resolution. In addition, the hotel business also temporarily closed its business operation since 1 April 2020. The situation of COVID-19 in Thailand is getting better, therefore the government has approved to relax lockdown measures to certain business such as golf business which already opened on 3 May 2020, shopping center and food center business opened on 17 May 2020 and hotel business opened on 18 July 2020.

At present, the situation of COVID-19 in foreign countries is still severe, and Thailand hasn't opened the country for foreign tourists. The Group performance is affected by epidemic of COVID-19, therefore, revenue and the net profit in comparison with the same period of last year decreased accordingly. The significant changes in operating revenue and operating profit (loss) of the Group business segments were noted in No. 2.1 - Operating revenue – by segment and No. 2.2 – Operating profit (loss) – by segment.

- b) Share of profit from investments in associates and joint venture decreased by Baht 996 million or 130%, due to the following reasons:
- Share of profit from an associate that operates shopping center business decreased by Baht 541 million according to the lower performance causing from the impact of COVID-19 as mentioned above.
 - Share of profit from an associate that operated in hotel business abroad decreased whole amount of Baht 283 million. In September 2019, the associate sold its operating assets to Freehold and Leasehold Real Estate Investment Trust ("REIT") which incurred gain on sales of assets amounting to Baht 715 million, and discontinued business operation accordingly since October 2019. The Group recognized profit sharing from sales of assets transaction amounting to Baht 250 million.
 - Share of profit from an associate that operated in life assurance business decreased by Baht 74 million, mainly due to the recognition unrealized loss in fair value of marketable securities and impairment loss on investment in Thai Airways' debentures.
 - Share of profit from an associate that operated in car and motorcycle auction business decreased entirely amount of Baht 52 million due to the change in status from an associate to a subsidiary since 31 December 2019 as mentioned in no. 2.1 (g)
- c) Other income decreased by Baht 596 million or 50%, mainly due to the decrease in dividend income of Baht 504 million. The reason was that in December 2019, a related company which engages in financial institution business, had restructuring its group business resulted in excess liquidity, therefore, there was announcement of special interim dividend payment to shareholders.
- d) Finance costs increased by Baht 204 million. The major reason was the recognition rights of use and lease liabilities under TFRS - 16 resulted in higher interest expense by Baht 139 million. The remaining interest expense was related to the increase in long-term borrowings.

2. Revenue and operating results by segment

The Group's business operations are divided into 8 principal segments as follows:

1. Shopping Center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel and tourism business engages in providing for lodging, food and drink, and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.

4. Real-estate business engages in residential for sale, property management and asset appraisal.
5. Food Solution business engages in selling rice for both local and export markets, and the food center and restaurant business.
6. Finance business engages in (i) providing general loan for housing and bridge loan of which the security is marketable property in good location, (ii) motorcycle hire-purchase business, and provision of life assurance business*.
7. Other business engages in the business of car and motorcycle auction** and water supply business.
8. Corporate Supporting Center business performs as a back-office functions for the Group.

Note:

* The company that engages in life assurance business is classified as an associate therefore the recognition of operating results is in the form of profit (loss) sharing.

** The status of the company that engages in car and motorcycle auction business was changed from an associate to a subsidiary effective from 31 December 2019.

The significant movements in operating revenue and operating profit/(loss) by segment for the year ended 31 December 2020 when compared to the same period of 2019 were as follows:

2.1 Operating revenue – by segment

(Unit: Million Baht)

For the years ended 31 December				
Segment	2020	2019	Increase/(Decrease)	
1) Shopping Center	2,363	3,885	(1,522)	(39%)
2) Hotel and tourism	484	1,320	(836)	(63%)
3) Golf	322	480	(158)	(33%)
4) Real-estate	715	317	398	126%
5) Food Solution	1,748	1,965	(217)	(11%)
6) Finance	2,486	2,299	187	8%
7) Other	515	15	500	3,333%
8) Corporate Supporting Center	3	6	(3)	(50%)
Total	8,636	10,287	(1,651)	(16%)

The operating revenue of the Group for the years ended 31 December 2020 and 2019 were Baht 8,636 million and Baht 10,287 million, respectively, which decreased by Baht 1,651 million or 16%. The major changes in operating revenue by segment were as follows:

- a) The revenue of shopping center business decreased by Baht 1,522 million or 39% mainly due to the epidemic of COVID-19 which caused all shopping centers to temporarily close since 22 March 2020 to 16 May 2020. The tenants are waived for rental and service fees throughout the closing period. The shopping center business had returned to open on 17 May 2020 and the Group has implemented measures to assist the tenants to maintain their business operation until the situation will return to normal such as rental and service fees discount, reducing the amount of rental deposits etc. The rental discount rates will vary depending on the business impact of each tenant.
- b) The revenue of hotel business decreased by Baht 836 million or 63% mainly due to the global epidemic of COVID-19. Most of countries are implementing lockdown measures and most of airline business around the world has stopped providing services, causing the continuous decline in number of tourists. The hotel group decided to temporarily close its business operation from 1 April 2020 and re-opened on 18 July 2020. During this closing period, Pathumwan Princess Hotel and Layana Resort & Spa in Krabi renovated hotel rooms.
- c) The revenue of golf business decreased by Baht 158 million or 33% mainly due to the epidemic of COVID-19 which caused to temporarily close all of golf courses since 22 March 2020 and re-opened on 3 May 2020. Currently, the number of golfers at Riverdale Golf Course and Bangkok Golf Course in Pathumtani have increased continuously. On the other hand, the golf courses in Phuket are still affected from COVID-19 because most of golfers are foreign golfers from abroad.
- d) The revenue of real-estate business increased by Baht 398 million or 126% mainly due to the significant changes as followings:
 - The completion of Quinn Condominium 101 in October 2020 resulted that there were legal transfer of ownership and revenue recognition in the fourth quarter of 2020 was Baht 389 million.
 - The revenue recognition of residential projects "Riverdale Residence" and "Park Riverdale" in Pathumtani increased by Baht 160 million.
 - The revenue of residential projects "Baan Rom-Mai" in Chonburi and Rayong decreased by Baht 59 million due to the impact of COVID-19 resulted in lower purchasing power of consumers.
 - The sales of house and plot of land projects in Phuket decreased by Baht 70 million.

- e) The revenue of food solution business decreased by Baht 217 million or 11%. The significant changes were as follows:
- The revenue of rice business decreased by Baht 67 million due to the lower export and domestic sales.
 - The revenue of food center business decreased by Baht 101 million due to temporarily close all of food centers since 22 March 2020 and re-open on 17 May 2020.
 - During the second and third quarters of last year, there were discontinued operation of certain food restaurants that performed under expectation. As a result, the whole amount of revenue decreased by Baht 49 million.
- f) The revenue of finance business increased by Baht 187 million or 8%. Because of the COVID-19 situation, the finance business is more conservative in lending loans to customers and implemented measures to assist debtors according to the government policy. The assistance measures provided to a debtor will be considered on a case-by-case basis, such as reduction of installment payment, suspended principal or interest payments etc.
- The revenue of hire-purchase for motorcycle business increased by Baht 65 million or 4%. The major increase of Baht 89 million was from the disposition by auction process of non-performing loan receivables portfolio, which had already been written-off to bad debts.
 - The revenue of lending business increased by Baht 124 million or 17% according to the continuous growth of loan portfolio. In addition, during September 2020, there was interest income recognition from a default debtor of Baht 45 million due to the auction process of collateral asset to settle the outstanding principal and interest.
- g) The revenue of other business increased sharply by Baht 500 million or 3,333% because the Company purchased additional shares in Apple Auto Auction (Thailand) Company Limited that engages in car and motorcycle auction business, resulted in the change of investment status from an associate to a subsidiary since 31 December 2019 and the operating results has been consolidated since 1 January 2020 onwards. The subsidiary generated operating revenue for the year 2020 amounting to Baht 490 million.

2.2 Operating profit (loss) – by segment

(Unit: Million Baht)

For the years ended 31 December				
Segment	2020	2019	Increase/(Decrease)	
1) Shopping Center	(118)	748	(866)	(116%)
2) Hotel and tourism	(291)	63	(354)	(562%)
3) Golf	(13)	74	(87)	(118%)
4) Real-estate	129	(44)	173	393%
5) Food Solution	(2)	(33)	31	94%
6) Finance	762	701	61	9%
7) Other	176	7	169	2,414%
8) Corporate Supporting Center	(17)	4	(21)	(525%)
Total	626	1,520	(894)	(59%)

The operating profit of the Group for the years ended 31 December 2020 and 2019 were Baht 626 million and Baht 1,520 million, decreased by Baht 894 million or 59%. In overall, operating results varied according to the movements of revenue as mentioned in No.2.1, normal economic conditions and the significant changes as follows:

- a) The epidemic of COVID-19 situation resulted in the decline of revenue of the Group whereas the fixed costs still incurred. However, the Group management has closely monitored the progress of COVID-19 situation and reduced operating expenses to minimize the impact on the Group operating results.
- b) During 2020, the Company received a rental discount on land and its related buildings due to the impact of closing shopping center and hotel in the amount of Baht 363 million.
- c) During 2020, the real-estate business reversed accrued reserve for housing maintenance expense relating to after-sales service agreements for several housing projects amounting to Baht 21 million to other income due to the end of warranty period.
- d) According to the Amendments of labor law relating to the legal severance pay rates under Labor Protection Act (No. 7) B.E. 2562, determined that legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, was changed from the latest wage rate from 300 days to 400 days. Therefore, the Group recognized long-term employee benefit liabilities of Baht 55 million as expense in the second quarter of 2019.

- e) In 2019, Shopping center business recognized impairment loss on investment in a joint venture of Baht 38 million, as a result of discontinued operation.
- f) Bad debt and provision for expected credit losses (provision for doubtful debts) of the finance business increased by Baht 218 million mainly due to the adoption of new accounting standard TFRS 9 – Financial Instruments effective on 1 January 2020.

Analysis of financial position

The significant movements in assets, liabilities and shareholders' equity as at 31 December 2020 when compared with the balance as at 31 December 2019 were as follows:

(Unit: Million Baht)				
	31 Dec 2020	31 Dec 2019	Increase/(Decrease)	
Total assets	57,142	52,443	4,699	9%
Total liabilities	35,757	27,737	8,020	29%
Total shareholders' equity	21,385	24,706	(3,321)	(13%)

3. Assets

3.1 Cash and cash equivalents

Cash and cash equivalents balance as at 31 December 2020 was Baht 3,842 million, increased sharply by Baht 3,056 million or 389% mainly due to the uncertainty situation of COVID-19 epidemic therefore, the Group needs to maintain adequate financial liquidity for further business operations. The significant increase in sources of cash and cash equivalents during the current year, apart from operating cashflows, were as follows: (i) long-term loans from financial institutions of Baht 2,400 million, (ii) cash receipts from sales of investments in marketable securities of Baht 1,440 million, (iii) special interim dividend income from a related company of Baht 533 million, and (iv) cash receipt from share reduction in an associate of Baht 439 million.

3.2 Other financial assets – Investments in equity marketable securities

Investments in equity marketable securities (current and long-term investments) balance as at 31 December 2020 was Baht 4,599 million, decreased by Baht 4,448 million or 49%. The major changes were as follows:

- a) The Group sold investments in marketable securities (net of purchases) during the year of Baht 2,278 million.
- b) The unrealized gain on available for sales of investment in marketable securities decreased by Baht 2,170 million due to the lower stock market price causing from COVID-19 crisis and the sales of investment in marketable securities during the current year.

3.3 Trade and other receivables

Trade and other receivables balance as at 31 December 2020 was Baht 931 million, increased by Baht 384 million or 70%. The shopping center business has taken measures to assist tenants affected from COVID-19 by giving a rental discount since March 2020 onwards until the situation will return to normal. The rental discount will be extended the term of lease period. According to the new financial reporting standards TFRS 16 – Leases, the company has to account for rental income throughout the lease period based on the straight-line method. Therefore, the shopping center business recognized accrued income for short-term contracts of Baht 274 million.

3.4 Accrued dividend income

Accrued dividend income balance as at 31 December 2019 was Baht 533 million represented special interim dividend income from a related company which had excess liquidity from restructuring its group business. The Group already received the dividend income in January 2020.

3.5 Loans to customers

Loans to customers (including current portion), net of allowance for expected credit losses (allowance for doubtful accounts), balance as at 31 December 2020 was Baht 15,512 million, decreased slightly by Baht 7 million. The major changes were as follows:

- a) From the epidemic of COVID-19 situation, the finance business has conservative policy in lending to a customer to avoid non-performing loan. As a result, the hire-purchase receivables for motorcycle portfolio decreased by Baht 289 million, however, loan receivables which secured by pledged/mortgaged of assets specified in the loan agreements increased by Baht 638 million.
- b) Allowance for expected credit losses (provision for doubtful debts) increased by Baht 353 million due to the changes in provision for doubtful accounts method in accordance with Thai Financial Reporting Standard No.9 – Financial Instruments, effective from 1 January 2020 resulted in higher provision for doubtful debts. The increase of Baht 264 million (before related tax impact) was adjusted to reduce the beginning retained earnings as at 1 January 2020.

3.6 Inventories

Inventories balance as 31 December 2020 was Baht 2,840 million, decreased by Baht 868 million or 23%. The significant movements were as follows:

Increases:

- a) The construction of Quinn Condominium Sukhumvit 101 was already completed in October 2020. The project incurred development costs during the year by Baht 122 million, net of construction costs which transferred to cost of sales according to the revenue recognition.
- b) The property development costs of the luxury residential project "Quartz Rama IX" increased by Baht 43 million. The project is completed and opened for sale in September 2020.
- c) The property development costs of residential projects "Baan Rom-Mai" in Chonburi and Rayong increased by Baht 90 million according to the progress of construction.

Decreases:

- d) Due to the uncertainty of COVID-19 situation, the real-estate business decided to postpone the residential development projects located at Charan Sanit Wong Road, Wuthakat Road and Riverdale Golf Course area in Pathumtani until the economic returns to normal situation. Therefore, the costs of lands for development for a total of Baht 1,036 million were reclassified from inventories to present under land held for development account.
- e) Stock of rice decreased by Baht 76 million due to the policy of reduction in level of inventory on hand. In addition, the purchase price of raw materials is lower than last year according to the market price mechanism.

3.7 Investment in associates and joint venture

Investment in associates and joint venture balance as at 31 December 2020 was Baht 5,922 million, decreased by Baht 559 million or 9%. The major changes were as follows:

Increases:

- a) The increase of Baht 147 million was from the purchase of share capital increase in proportion of shareholding interests in an associated that engages in life insurance business.

Decreases:

- b) The decrease of Baht 227 million was from the recognition share of loss for the year under equity method.
- c) In September 2019, an associate that operated in hotel business abroad sold all its operating assets to a trust fund and ceased its business operation since October 2019. The Company received major amount of capital reduction from the associate of Baht 439 million in March 2020. The investment had a book value of Baht 406 million therefore, the difference of Baht 33 million was recognised to gain on exchange rate.

3.8 Right of use and Lease liabilities

Effective from 1 January 2020, the Group has changed the accounting policy for long-term leases from previously recorded as operating lease to be finance lease under TFRS No.16 – Leases. Total lease obligations throughout the lease period shall be accounted for rights of use and lease liabilities resulted in higher assets and liabilities as at 1 January 2020 as follows:

	Million Baht
1	<u>Assets – Rights of use</u>
1.1	Investment properties - Increase
	■ The agreement granting the right to utilize the shopping center at the Pathumwan intersection
	6,346
	■ Other assets rental agreements
	309
	Total
	6,655
1.2	Properties, plant and equipment - Increase
	■ The agreement granting the right to utilize the shopping center at the Pathumwan intersection
	744
	■ Other property lease agreements
	183
	Total
	927
1.3	Leasehold rights – Decrease (Reclassified to assets in No. 1.1 and 1.2)
	(187)
	Total rights of use - Net increase
	7,395
2	<u>Lease liabilities</u>
2.1	Accrued land rental – Decrease
	(284)
2.2	Other payables - Decrease
	(86)
2.3	Lease liabilities, net deferred interest – Increase
	7,765
	Total lease liabilities – Net increase
	7,395

3.9 Investment properties

Investment properties balance as at 31 December 2020 was Baht 13,914 million, increased by Baht 5,675 million or 69%. The significant movements during the year were as follows:

	Description	Million Baht
1	As at 1 January 2020, there was recognition rights of use according to TFRS No. 16 as mentioned in No. 3.8 (1.1)	6,655
2	The costs of renovation Shopping Centers	69
3	The construction costs of a new shopping center "The Nine Tiwanon" – The construction work is expected to complete and operate in the second quarter of 2021.	118
4	Depreciation and amortisation	(997)
5	Rental discount	(251)
6	Others	81
	Total net movements	5,675

3.10 Property, plant and equipment

Property, plant and equipment balance as at 31 December 2020 was Baht 5,926 million, increased by Baht 766 million or 15%. The significant movements during the year were as follows:

	Description	Million Baht
1	As at 1 January 2020, there was recognition rights of use according to TFRS No. 16 as mentioned in No. 3.8 (1.2)	927
2	Renovation of hotel rooms – Pathumwan Princess	191
3	Renovation of Riverdale Golf Courses	34
4	Renovation of Dusit Thani Krabi Beach Resort and Layana Resort and Spa	26
5	Construction costs of a new resort at Ton-Sai Beach in Krabi	23
6	Depreciation and amortisation	(514)
7	Rental discount	(33)
8	Others	112
	Total net movements	766

4 Liabilities

4.1 Trade and other payables

Trade and other payables balance as at 31 December 2020 was Baht 1,080 million, decreased by Baht 504 million or 32%, mainly due to the reclassification of accrued land rental and other payables relating to long-term lease agreements amounting to Baht 370 million to long-term lease liabilities account in accordance with TFRS No.16 – Lease, as mentioned in No.3.8 (2).

4.2 Long-term loans from financial institutions

Long-term loans from financial institutions (including current portion) balance as at 31 December 2020 was Baht 2,386 million, increased by Baht 2,186 million or 1,093%. The purpose of increase in borrowings is to support the business expansion of finance business.

4.3 Long-term debentures

Long-term debentures (including current portion) balance as at 31 December 2020 was Baht 15,762 million, decreased by Baht 128 million or 1%. During the current year, the Company issued the long-term debentures, a total of Baht 3,800 million for the purposes of redemptions the debentures which were due for repayments of Baht 4,000 million.

4.4 Deferred tax liabilities

Deferred tax liabilities balance as at 31 December 2020 was Baht 908 million, decreased by Baht 447 million or 33%. The decrease of Baht 417 million was from the decrease in fair value of investments in marketable securities on hand at 31 December 2020 and from sales of the investment in marketable securities during the current year.

4.5 Deposits

Deposits balance as at 31 December 2020 was Baht 819 million, decreased by Baht 343 million or 30%. The major reason was due to the measure to assist the tenants of shopping center business allowed to get the rental deposits to be deducted against the monthly rental payment in order to relieve the burden of tenants.

5 Shareholders' equity

Total shareholders' equity balance as at 31 December 2020 was Baht 21,385 million, decreased by Baht 3,321 million or 13%. The significant movements were as follows:

- a) Retained earnings decreased by Baht 1,506 million or 9% due to:
- The increase of Baht 149 million was from the net profit for year.
 - The decrease of Baht 954 million was from recognition loss from sales of investment in marketable securities.
 - The decrease of Baht 556 million from dividend payment for the operating results for the second half of year ended 31 December 2019.
 - The cumulative effect of change in accounting policy due to the adoption of new financial reporting standards related to financial Instruments resulted in higher allowance for expected credit losses to financial assets and other adjustments - net of related tax impact, by Baht 133 million, which adjusted to decrease the beginning retained earnings as at 1 January 2020.
- b) The decrease of Baht 1,809 million or 45% in other components of shareholders' equity was mainly due to the decrease of Baht 1,745 million in unrealized gains on available-for-sale marketable securities, net of related deferred tax liabilities impact, as a result of the lower stock market price causing from COVID-19 crisis and the sales of investment in marketable securities during the current year.

Analysis of the liquidity

6. Cash flows of the Group for the years ended 31 December 2020 and 2019 are summarised in table below.

(Unit: Million Baht)

For the years ended 31 December				
	2020	2019	Cash flows Increase/(Decrease)	
Net income from operating activities before changes in operating assets and liabilities	2,910	3,751	(841)	(22%)
Net movements in operating assets and liabilities	(1,813)	(3,530)	1,717	49%
Net cash flows received from (used in) operating activities	1,097	221	876	396%
Net cash flow received from (used in) investing activities	2,038	125	1,913	1,530%
Net cash flows received from (used in) financing activities	(79)	(235)	156	66%
Net increase (decrease) in cash and cash equivalents	3,056	111	2,945	2,653%

6.1 Cash flows from operating activities

Cash flows from operating activities increased by Baht 876 million or 396%. The significant movements in cash flows from operating activities and operating assets and liabilities are as mentioned in the analysis of operating results and financial status above and the significant changes as follows:

- a) The major cash increases were from: (i) the decrease of loans to customers (net of cash receipts) by Baht 2,095 million due to the conservative policy in lending to customers under COVID-19 situation, and (ii) the whole decrease of advance rental payment by Baht 517 million due to the change in accounting policy for long-term lease according to TFRS 16 – Leases.
- b) The major cash decreases were from: (i) the decrease in cash receipts from accounts receivables by Baht 314 million, and (ii) the decrease in deposits receipts by Baht 560 million due to the measure to assist the tenants of shopping center business allowed to get the rental deposits to be deducted against the monthly rental payment in order to relieve the burden of tenants.

6.2 Cash flows from investing activities

Net cash flows received from investing activities increased by Baht 1,913 million or 1,530% due to the following major reasons:-

Factors in cash increases:

- a) Cash receipts from sales of investments in marketable securities (net of cash payments from purchases) increased by Baht 1,668 million.
- b) In March 2020, there was cash receipt of Baht 439 million from the capital reduction of an associate that operated hotel business abroad.

Factors in cash decreases:

- c) In May 2020, there were cash payment for purchase additional investment in an associate that operated life insurance business of Baht 147 million due to the increase in share capital.

6.3 Cash flows from financing activities

Net cash flows received from financing activities increased by Baht 156 million or 66% due to the following major reasons:-

Factors in cash increases:

- a) Cash repayments to short-term loans from financial institutions (net of cash receipts) decreased by Baht 2,150 million.
- b) Cash receipts of long-term loans from financial institutions (net of cash repayments) increased by Baht 1,986 million.
- c) Cash payment for dividend decreased by Baht 450 million.

Factors in cash decreases:

- d) Cash payments for debentures which due for repayment (net of debentures issuance) increased by Baht 3,700 million (In 2019, there was an issuance of debentures but no any debentures which was due for repayment).
- e) Cash payments to long-term lease liabilities increased by Baht 425 million due to the change in recognition of long-term lease agreements from operating lease to finance lease under TFRS No.16 – Leases, effective from 1 January 2020. As a result, the Group recognized rights of use and lease liabilities increased as mentioned in No. 3.8 (2).
- f) Cash payments for interest expense increased by Baht 180 million according to the higher borrowings.



FIANCIAL STATEMENT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MBK Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of MBK 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 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 MBK 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 MBK Public Company Limited and its subsidiaries and of MBK Public Company Limited as at 31 December 2020, their financial performances 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

My opinion is not modified in respect of these matters. I draw attention to the following notes to the consolidated financial statements:

1. I draw attention to Note 12 and Note 3 to the consolidated financial statements. Due to the impact of Coronavirus disease 2019 pandemic, in preparing the consolidated financial statements for the year 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic and the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy issued by the Federation of Accounting Professions. Since the Coronavirus disease 2019 pandemic is resulting in an economic slowdown and impacting various businesses and industries. This situation affects the Group's business activities in terms of services of shopping centers, hotels and golf courses. 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 made estimates and exercised judgement in respect of various issues as the situation has evolved.
2. I draw attention to Note 4 to the consolidated financial statements. The Group has adopted Thai Financial Reporting Standard 16 Leases and Financial Reporting Standards related to financial instruments, which are effective in the current period.

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 for each matter are described below.

Revenue recognition

The Group is organised into many business segments based on its products and services, with major revenues of the Group derived from shopping center business. The Group has entered into lease and service agreements with a large number of customers, which incorporate a variety of conditions. Therefore, revenue recognition needs to take into account differences in the timing of revenue recognition.

I have examined the revenue recognition of the Group by assessing the accounting policies related to the revenue recognition, assessing the effectiveness of Group's internal controls with respect 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. I also applied a sampling method to select rental and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement and in compliance with the Group's accounting policies, examined supporting documents for revenue transactions occurring during the year and near the end of the accounting period, reviewed credit notes that the Group issued after the period-end, performed analytical procedures on disaggregated such revenue data to review possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Allowance for expected credit losses for loans to customers

As described in Note 12 to the consolidated financial statements, as at 31 December 2020, the Group had total loans to customers of Baht 16,267 million and allowance for expected credit losses of Baht 755 million.

In 2020, the Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments, which became effective on 1 January 2020. This stipulates a basis for calculating impairment of financial instruments using the expected credit losses method. This basis requires development of a complex calculation model, which involves significant use of management judgement and estimates in order to be compliant with the Thai Financial Reporting Standards. The areas of significant management judgement include the identification of criteria for assessing that there has been a significant increase in credit risk since initial recognition, the selection of future economic variables to be incorporated in the model and use of an overlay adjustment on the allowance for expected credit losses due to limitations of the model. Due to the materiality and the use of management judgement, this is a key audit matter.

I involved the auditors of the subsidiaries, in assessing and test the reasonableness of the expected credit loss model, by comparison with the requirements of TFRS 9, assessment and tests, on a sample basis, the effectiveness of the Group's internal controls relevant to the estimation of allowance for expected credit losses. I assessed the assumptions significant to the model and considered the reasonableness of the assumptions in the forward-looking information and the appropriateness of the weightings economic factors adopted. I reviewed the model development documentation and tested, on a sampling basis, the accuracy of the data used in model, the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses. I also assessed and considered reasonableness of the overlays applied by management. Moreover, the test of recalculating the allowance for expected credit losses at the end of the accounting period was performed.

In addition, I focused on the Group's disclosures regarding the allowance for expected credit losses for loans to customers.

Fair value disclosure for investment properties

As discussed in Note 20 to the consolidated financial statements. The Group disclosed investment properties at the fair value determined by an independent appraiser. The fair value of the land awaiting sale mainly been determined based on market approach, while that of the land, building, building improvement and right-of-use assets, for rent, have been determined using the income approach. The key assumptions applied in the valuation depend on management's judgement with respect to the assumptions related to projections of future operating performance, assessment of plans for management of assets of the Group located in various geographical locations, and determination of an appropriate discount rate and other key assumptions.

I assessed disclosure of fair value of investment properties by the management. I reviewed the appraisal report prepared by the independent appraiser and considered the reasonableness of the selection of financial model used in the fair value measurement by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilised. In addition, I gained an understanding of and assessed, the key assumptions applied in preparing plans and cash flow projections for the Group, based on the understanding of the process by which the figures were arrived at. Such figures were compared to the external sources of information based on the knowledge and past experience of the independent appraiser.

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 audit or otherwise appears to be materially misstated.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Gingkarn Atsawarangsarit
Certified Public Accountant (Thailand) No. 4496

EY Office Limited
Bangkok: 25 February 2021

STATEMENT OF FINANCIAL POSITION

MBK Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	3,841,661,459	786,155,591	3,238,841,348	164,896,963
Current investments	9	-	1,899,534,392	-	1,880,444,550
Other current financial asset	10	3,287,859	-	-	-
Trade and other receivables	7, 11	931,338,687	547,599,885	399,435,126	194,438,905
Short-term loans to related companies	7	54,765,200	56,697,200	7,161,975,341	9,734,807,077
Current portion of loans to customers	12	4,202,156,144	4,142,211,781	-	-
Inventories	13	2,840,430,770	3,708,520,220	32,487,330	36,515,339
Dividend receivable	7	-	533,257,600	35,950,000	519,657,600
Other current assets	14	190,975,858	471,887,680	68,809,828	14,242,950
Total current assets		12,064,615,977	12,145,864,349	10,937,498,973	12,545,003,384
Non-current assets					
Restricted fixed deposits		3,026,193	3,000,166	-	-
Investments in associates	15	5,918,519,814	6,477,626,472	4,828,822,967	4,679,590,366
Investment in joint venture	16	3,345,431	3,447,519	2,500,000	-
Investments in subsidiaries	17	-	-	22,121,109,829	22,235,327,549
Other long-term investments	7, 18	-	7,186,189,348	-	6,981,999,122
Other non-current financial assets	7, 19	4,708,028,157	-	4,571,024,620	-
Loans to customers - net of current portion	12	11,310,334,507	11,377,336,759	-	-
Investment properties	20	13,914,081,813	8,239,150,607	10,135,454,785	4,610,619,999
Land held for development	21	1,666,419,700	640,723,803	-	-
Property, plant and equipment	22	5,926,230,018	5,160,050,318	1,628,493,056	845,214,495
Leasehold rights		-	187,447,297	-	-
Goodwill	23	71,793,178	71,793,178	-	-
Intangible assets	24	132,574,513	96,841,390	105,404,942	72,817,391
Deferred tax assets	45	781,491,108	741,361,804	565,741,236	560,412,198
Property foreclosed	25	287,109,676	96,337,374	-	-
Other non-current assets	26	354,690,294	15,882,987	74,896	74,896
Total non-current assets		45,077,644,402	40,297,189,022	43,958,626,331	39,986,056,016
Total assets		57,142,260,379	52,443,053,371	54,896,125,304	52,531,059,400

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

STATEMENT OF FINANCIAL POSITION (Con't)

MBK Public Company Limited and its subsidiaries
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 overdrafts and short-term loans					
from financial institutions	27	768,003,111	687,001,605	-	-
Trade and other payables	7, 28	1,079,610,252	1,583,712,849	392,029,154	777,568,503
Short-term loans from related companies	7	-	-	7,933,380,970	8,226,497,683
Current portion of long-term loans from					
financial institutions	29	283,333,333	20,000,000	-	-
Current portion of long-term debentures	31	-	3,998,824,285	-	3,998,824,285
Current portion of advance rental and service deposits		280,218,100	480,287,925	245,796,055	400,596,337
Current portion of lease liabilities	32	258,162,393	104,865,891	206,419,114	104,865,891
Corporate income tax payable		208,145,973	140,804,979	-	1,070,442
Other current liabilities	30	729,193,476	603,313,146	111,718,870	123,036,017
Total current liabilities		3,606,666,638	7,618,810,680	8,889,344,163	13,632,459,158
Non-current liabilities					
Long-term loans from financial institutions - net of					
current portion	29	2,102,777,778	180,000,000	-	-
Long-term debentures - net of current portion	31	15,762,262,906	11,891,117,926	15,762,262,906	11,891,117,926
Advance rental and service deposits - net					
of current portion		304,623,781	427,983,240	548,712,427	711,631,464
Lease liabilities - net of current portion	32	11,904,313,227	4,763,909,711	11,592,568,193	4,763,909,711
Provision for long-term employee benefits	33	324,276,674	314,339,989	119,205,808	130,233,791
Deferred tax liabilities	45	907,829,013	1,354,819,801	600,433,042	980,427,051
Deposits		819,144,719	1,162,575,567	419,023,987	752,982,287
Other non-current liabilities	34	25,259,209	23,215,003	2,689,640	18,539,558
Total non-current liabilities		32,150,487,307	20,117,961,237	29,044,896,003	19,248,841,788
Total liabilities		35,757,153,945	27,736,771,917	37,934,240,166	32,881,300,946

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

STATEMENT OF FINANCIAL POSITION (Con't)

MBK Public Company Limited and its subsidiaries
As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital	35				
Registered					
2,262,719,920 ordinary shares of Baht 1 each					
(2019 : 1,694,923,000 ordinary shares of Baht 1 each)		2,262,719,920	1,694,923,000	2,262,719,920	1,694,923,000
Issued and paid-up					
1,694,923,000 ordinary shares of Baht 1 each		1,694,923,000	1,694,923,000	1,694,923,000	1,694,923,000
Premium on ordinary shares		1,289,074,500	1,289,074,500	1,289,074,500	1,289,074,500
Difference between the lower acquisition					
cost of business and fair value		172,206,406	172,206,406	-	-
Surplus from the change in the ownership interests					
in subsidiaries		402,385,063	406,163,088	-	-
Retained earnings					
Appropriated - statutory reserve	36	226,280,000	200,000,000	226,280,000	200,000,000
Unappropriated		15,555,663,718	17,061,602,762	11,502,216,611	12,541,102,033
Other components of shareholders' equity		2,202,806,294	4,011,667,281	2,249,391,027	3,924,658,921
Equity attribute to owners of the Company before					
treasury stock and non-controlling interests					
of the subsidiaries		21,543,338,981	24,835,637,037	16,961,885,138	19,649,758,454
Less: Treasury stock	37	(711,993,784)	(711,993,784)	-	-
Equity attributable to owners of the Company	38	20,831,345,197	24,123,643,253	16,961,885,138	19,649,758,454
Non-controlling interests of subsidiaries		553,761,237	582,638,201	-	-
Total shareholders' equity		21,385,106,434	24,706,281,454	16,961,885,138	19,649,758,454
Total liabilities and shareholders' equity		57,142,260,379	52,443,053,371	54,896,125,304	52,531,059,400

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

STATEMENT OF COMPREHENSIVE INCOME

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Sales		2,471,893,072	2,282,550,443	-	-
Rental income		2,382,985,801	3,941,368,406	1,520,655,271	2,741,616,553
Service income		825,427,196	493,377,421	-	-
Revenue from hotel operations		469,753,437	1,303,615,669	156,998,173	624,108,236
Revenue from financial business	41	2,485,530,967	2,265,707,807	2,639,197	4,546,463
Other income					
Dividend income		467,123,950	971,691,354	1,709,242,000	3,598,433,794
Gain on sales of investments		-	38,217,699	-	38,221,375
Gain on sales of assets		-	10,937,753	667,508	1,560,155
Others		98,798,977	162,666,935	114,220,809	141,300,728
Total revenues		9,201,513,400	11,470,133,487	3,504,422,958	7,149,787,304
Expenses					
Cost of sales		1,900,382,154	1,842,318,625	-	-
Cost of rental		1,726,477,202	2,385,080,534	922,874,687	1,449,786,936
Cost of service		455,585,345	362,314,502	-	-
Hotel operating expenses		595,189,966	1,004,968,404	231,007,098	453,861,206
Selling and distribution expenses		657,618,122	643,791,090	140,584,287	194,479,279
Administrative expenses		1,931,352,035	2,031,054,802	493,654,230	629,543,989
Difference from discount on rental		158,642,638	-	158,642,638	-
Total expenses		7,425,247,462	8,269,527,957	1,946,762,940	2,727,671,410
Profit from operating activities		1,776,265,938	3,200,605,530	1,557,660,018	4,422,115,894
Share of profit (loss) from investments in associates and joint ventures	15.2, 16.2	(227,249,073)	769,401,367	-	-
Finance income		32,869,239	10,146,903	499,538,743	956,842,253
Finance costs	42	(1,134,681,162)	(843,493,623)	(1,411,184,817)	(1,232,251,539)
Profit before income tax expenses		447,204,942	3,136,660,177	646,013,944	4,146,706,608
Income tax expenses	45	(255,436,848)	(344,810,988)	(29,298,694)	(80,108,254)
Profit for the year		191,768,094	2,791,849,189	616,715,250	4,066,598,354

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

STATEMENT OF COMPREHENSIVE INCOME (Con't)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
- net of income tax	45			
Gains on change in value of available-for-sale investments	-	116,314,479	-	97,124,279
Unrealised gains (losses) on investments in loans	(796,269)	3,008,479	(796,269)	3,008,479
Gains on change in value of available-for-sale investments of an associate	-	51,640,668	-	-
Unrealised losses on investments in loans of an associate	(16,910,717)	(12,634,824)	-	-
Translation adjustment of an associate	6,270,802	(38,401,626)	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
- net of income tax	(11,436,184)	119,927,176	(796,269)	100,132,758
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
- net of income tax	45			
Actuarial gains (losses)	10,188,545	(34,976,729)	13,452,559	(19,178,230)
Actuarial gains (losses) of associates	2,474,895	(3,184,539)	-	-
Losses on investments in equity designated at fair value through other comprehensive income	(2,701,262,888)	-	(2,605,377,196)	-
Losses on investments in equity designated at fair value through other comprehensive income of an associate	(52,099,085)	-	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>				
	(2,740,698,533)	(38,161,268)	(2,591,924,637)	(19,178,230)
Other comprehensive income for the year	(2,752,134,717)	81,765,908	(2,592,720,906)	80,954,528
Total comprehensive income for the year	(2,560,366,623)	2,873,615,097	(1,976,005,656)	4,147,552,882
Profit attributable to:				
Equity holders of the Company	149,187,843	2,799,512,311	616,715,250	4,066,598,354
Non-controlling interest of the subsidiaries	42,580,251	(7,663,122)		
	191,768,094	2,791,849,189		

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

STATEMENT OF COMPREHENSIVE INCOME (Con't)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Total comprehensive income attributable to:					
Equity holders of the Company		(2,605,731,264)	2,882,725,974	(1,976,005,656)	4,147,552,882
Non-controlling interest of the subsidiaries		45,364,641	(9,110,877)		
		<u>(2,560,366,623)</u>	<u>2,873,615,097</u>		
Earnings per share	46				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.11</u>	<u>2.12</u>	<u>0.36</u>	<u>2.40</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.11</u>	<u>-</u>	<u>0.36</u>	<u>-</u>

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

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For the year ended 31 December 2020

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Con't)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements									
	Other components of shareholders' equity									
	Other comprehensive income									
	Gains (losses)									
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Unrealised gains (losses) on investments in loans	Total other components of shareholders' equity	Total shareholders' equity				
			Appropriated Statutory reserve	Unappropriated	on investments in equity designated at fair value through other comprehensive income					
Balance as at 1 January 2019	1,694,923,000	1,289,074,500	200,000,000	9,781,823,389	3,828,135,310	18,790,347,052				
Profit for the year	-	-	-	4,066,598,354	-	4,066,598,354				
Other comprehensive income for the year	-	-	-	(19,176,230)	97,124,279	80,954,528				
Total comprehensive income for the year	-	-	-	4,047,420,124	97,124,279	4,147,552,882				
Dividend paid (Note 52)	-	-	-	(1,288,141,480)	-	(1,288,141,480)				
Balance as at 31 December 2019	1,694,923,000	1,289,074,500	200,000,000	12,541,102,033	3,925,259,589	19,649,758,454				
Balance as at 1 January 2020	1,694,923,000	1,289,074,500	200,000,000	12,541,102,033	3,925,259,589	19,649,758,454				
Cumulative effect of change in accounting policies due to the adoption of new financial reporting standards and other adjustment (Note 4)	-	-	-	-	-	-				
Balance as at 1 January 2020 - as restated	1,694,923,000	1,289,074,500	200,000,000	12,541,102,033	3,925,259,589	19,649,758,454				
Profit for the year	-	-	-	616,715,250	-	616,715,250				
Other comprehensive income for the year	-	-	-	13,452,559	(2,605,377,196)	(2,592,220,908)				
Total comprehensive income for the year	-	-	-	630,167,809	(2,605,377,196)	(1,975,209,387)				
Dividend paid (Note 52)	-	-	-	(711,867,660)	-	(711,867,660)				
Transfer retained earnings - unappropriated to statutory reserve (Note 36)	-	-	26,280,000	(26,280,000)	-	-				
Loss on derecognition of financial assets measured at fair value through other comprehensive income (Note 9)	-	-	-	(930,905,571)	930,905,571	-				
Balance as at 31 December 2020	1,694,923,000	1,289,074,500	226,280,000	11,502,216,611	2,250,787,964	16,961,885,138				

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

STATEMENT OF CASH FLOWS

MBK Public Company Limited and its subsidiaries
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 before tax	447,204,942	3,136,660,177	646,013,944	4,146,706,608
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,511,364,124	1,166,137,442	773,614,558	510,889,336
Amortisation of intangible asset	32,108,829	25,636,217	24,730,495	20,507,322
Amortisation of underwriting fee	3,120,368	2,558,900	3,120,368	2,558,900
Amortisation of leasehold right and prepaid rental fee	-	786,262,576	-	756,914,544
Gains on decrease of investment in subsidiary	-	-	(62,610,000)	-
Interest income and (gains) losses on sale of investments in loan	578,904	(729,986)	578,904	(729,986)
Gains on fair value of financial instrument	(3,287,859)	-	-	-
Losses on sales of investment in associate	-	3,676	-	-
Gains on sales of current investments	-	(38,221,375)	-	(38,221,375)
(Gains) losses on disposal of investment properties and property, plant and equipment	6,713,305	(11,879,754)	(667,508)	(1,560,155)
Losses on disposal/write-off of intangible asset	104,764	942,001	-	-
Loss on disposal of property foreclosed	11,083,586	-	-	-
Allowance for impairment of investments in joint venture	-	37,500,563	-	-
Reversal of allowance for impairment of investments in subsidiary	-	-	(2,226,750)	(3,349,354)
Reversal of allowance for impairment loss on property, plant and equipment	(2,749,370)	(296,958)	-	-
Reversal of allowance for impairment of intangible assets	(53,657)	(23,394)	-	-
Reversal of allowance for impairment of investment properties	(34,774,436)	-	-	-
Allowance for impairment of property foreclosed (reversal)	(10,611,313)	224,825	-	-
Bargain purchase option	-	(5,350,908)	-	-
Unrealised gains on exchange rate	(33,093,122)	(23,534,639)	-	-
Allowance for expected credit losses (reversal)	187,027,746	99,707,716	1,127,579	(363,451)
Allowance for diminution in value of inventories	2,829,908	6,663,372	-	-
Difference from discount on rental	158,642,638	-	158,642,638	-
Provision for long-term employee benefits	33,463,733	89,256,261	10,242,850	38,276,110
Interest income	(32,869,239)	(10,146,903)	(499,538,743)	(956,842,253)
Interest expenses	709,859,580	559,067,649	1,005,387,821	947,825,565
Finance costs from lease liabilities	420,825,192	281,867,074	402,661,888	281,867,074
Dividend income	(467,123,950)	(971,691,354)	(1,709,242,000)	(3,598,433,794)
Reversal of overdue dividend payable	-	(68,075,699)	-	(68,075,699)
Shares of (profit) loss from investments in associates and joint ventures	227,249,073	(769,401,367)	-	-
Profit from operating activities before changes in operating assets and liabilities	3,167,613,746	4,293,136,112	751,836,044	2,037,969,392
Net movements in operating assets and liabilities (Note 47)	(1,813,254,416)	(3,529,925,802)	(1,052,692,831)	(925,213,190)
Cash flows from (used in) operating activities	1,354,359,330	763,210,310	(300,856,787)	1,112,756,202
Cash paid for employee benefits	(10,790,781)	(46,492,960)	(4,455,134)	(29,529,166)
Cash paid for corporate income tax	(247,242,637)	(495,704,918)	(30,123,839)	(78,399,751)
Net cash flows from (used in) operating activities	1,096,325,912	221,012,432	(335,435,760)	1,004,827,285

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

STATEMENT OF CASH FLOWS (Con't)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash payments for purchases of current investments	(118,079,011)	(633,302,713)	-	(630,217,174)
Cash receipts from sales of current investments	1,439,998,453	286,823,947	1,324,823,048	286,823,947
Cash payments for short-term loans to related companies	(2,450,000)	(37,009,875)	(14,175,690,430)	(9,557,986,554)
Cash receipts from short-term loans to related companies	4,382,000	122,680,312	16,748,522,166	11,316,540,640
Interest income	32,870,460	11,153,761	552,323,950	921,190,647
Cash receipts from investments in loans	14,255,229	3,810,285	14,255,229	3,810,285
Cash payment for investments in loans	-	(17,609,241)	-	(17,609,241)
Cash receipts from share capital reduction of subsidiaries	-	-	1,433,864,470	-
Cash receipts from share capital reduction of other companies	-	1,496	-	-
Net cash receipt from sales of investments in the subsidiaries	-	77,415,962	-	-
Net cash payment from purchases of investments in the subsidiaries	(35,326)	-	-	-
Cash payments for purchases of investments in the subsidiaries	-	-	(1,254,810,000)	(4,641,217,647)
Cash payments for purchases of investments in the subsidiary from non-controlling interest of the subsidiary	(9,901,292)	(8,657,310)	-	-
Cash receipts from sales of investments in associate	-	1,602,824	-	-
Cash payments for purchases of investments in associates and joint ventures	(151,732,601)	(45,466,996)	(151,732,601)	(1,860,497)
Cash receipts from share capital reduction of investment in an associate	439,281,850	-	-	-
Dividend receipts from investments	1,000,381,550	965,533,141	2,192,949,600	3,078,776,194
Cash receipts from sales of property, plant and equipment and investment properties	53,133,837	31,691,014	4,050,684	6,065,514
Cash payments for purchases of property, plant and equipment and investment properties	(650,096,811)	(622,869,563)	(277,214,245)	(260,964,758)
Cash payments for purchases of intangible assets	(61,912,210)	(26,198,378)	(57,842,884)	(23,844,300)
Cash receipts from sales of property foreclosed	47,893,701	25,123,501	-	-
Cash payments for purchases of property foreclosed	-	(7,809,215)	-	-
Cash payments for long-term lease agreements	-	(1,928,788)	-	-
Net cash flows from investing activities	2,037,989,829	124,984,164	6,353,498,987	479,507,056

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

STATEMENT OF CASH FLOWS (Con't)

MBK Public Company Limited and its subsidiaries
For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financing activities				
Increase (decrease) in bank overdrafts	1,506	(299,345)	-	-
Cash receipts from short-term loans from related companies	-	143,000,000	3,018,433,195	3,081,231,266
Cash payments of short-term loans from related companies	-	(75,000,000)	(3,311,549,908)	(3,899,779,374)
Cash receipts from short-term loans from financial institutions	2,578,000,000	10,554,000,000	-	8,840,000,000
Cash payments of short-term loans from financial institutions	(2,497,000,000)	(12,623,000,000)	-	(10,640,000,000)
Cash receipts from long-term loans from financial institutions	2,400,000,000	200,000,000	-	-
Cash payment of long-term loans from financial institutions	(213,888,889)	-	-	-
Cash payments of lease liabilities	(784,502,537)	(359,597,880)	(741,446,000)	(359,597,880)
Interest payments	(735,592,860)	(555,248,337)	(989,650,864)	(923,955,394)
Dividend payments	(559,335,220)	(1,009,165,618)	(715,877,023)	(1,288,141,480)
Dividend payments to non-controlling interests of the subsidiaries	(62,463,631)	(6,025,258)	-	-
Cash receipts from long-term debentures	3,795,971,758	3,496,310,647	3,795,971,758	3,496,310,647
Repayment of long-term debentures	(4,000,000,000)	-	(4,000,000,000)	-
Net cash flows used in financing activities	(78,809,873)	(235,025,791)	(2,944,118,842)	(1,693,932,215)
Net increase (decrease) in cash and cash equivalents	3,055,505,868	110,970,805	3,073,944,385	(209,597,874)
Cash and cash equivalents at beginning of year	786,155,591	675,184,786	164,896,963	374,494,837
Cash and cash equivalents at the end of year	3,841,661,459	786,155,591	3,238,841,348	164,896,963
Supplemental cash flows information:				
Operational cash flows from interest	2,477,237,436	2,266,220,961	2,639,197	4,546,463
Interest paid capitalised as property development for sale and land held for development	(31,889,925)	(25,182,290)	-	-
Non-cash transactions:				
Dividend receivable	-	533,257,600	35,950,000	519,657,600
Transfer investment in associated company to investment in subsidiary	-	-	(489,633)	(45,000,000)
Transfer between investment properties and property, plant and equipment	(27,318,983)	(73,921,462)	17,746,725	8,591,818
Decrease in purchase of property, plant and equipment and investment properties that have yet to be paid	(18,225,128)	(12,636,441)	(5,195,435)	(1,234,837)
Property foreclosed transferred from loans to customers	239,138,276	-	-	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MBK Public Company Limited and its subsidiaries
 For the year ended 31 December 2020

1. General information

1.1 General information of the Company and its subsidiaries

MBK Public Company Limited (the "Company") is a public company incorporated and domiciled in Thailand and listed on the Stock Exchange of Thailand. Its registered office is at 8th Floor MBK Center Building, 444 Phayathai Road, Pathumwan, Bangkok 10330. The principal business operations of the Company and its subsidiaries ("the Group") are summarised as follows:

- Shopping center business
- Hotel and tourism business
- Golf business
- Real estate business
- Food solution business
- Financial business
- Other business
- Corporate supporting center

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and has an impact on the environment in which the group operates.

This situation affects the Group's business activities in terms of temporary suspension of services and closing of all shopping centers from 22 March 2020 with reopening as from 17 May 2020, temporary suspension of operations of most hotels from 1 April 2020 with reopening as from July 2020, as well as temporary suspension of services of all golf courses from 23 March 2020 with reopening as from 3 May 2020. The Group has considered to give discount on rent for shopping center's lessee who had affected since the temporary suspension of service. This is impacting the Group's operating results, and cash flows at present, 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 Professions Act B.E. 2547 and 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 MBK 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
			%	%
Directly owned				
Glas Haus Ratchada Company Limited	Property for lease	Thailand	100.00	100.00
MBK Square Company Limited	Property management service	Thailand	100.00	100.00
MBK Smart Force Security Guard Company Limited	Security service	Thailand	99.97	99.97
MBK Hotels and Resorts Company Limited	Hotel	Thailand	100.00	100.00
Supsinnthanee Company Limited	Hotel	Thailand	100.00	100.00
Lanta Land Development Company Limited	Hotel	Thailand	100.00	100.00
MBK Business Company Limited	Personnel management service	Thailand	100.00	100.00
MBK Hotels and Tourism Company Limited	Hotel management and travel	Thailand	100.00	100.00
Riverdale Golf and Country Club Company Limited	Golf course and real estate	Thailand	100.00	100.00
Patum Rice Mill and Granary Public Company Limited	Processing and packaging rice	Thailand	74.52	74.52

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
Directly owned (continued)				
Primacy Elegance Investments Limited	Investment	British Virgin Island	100.00	100.00
MBK Premium Company Limited	Leasing and hire purchase	Thailand	100.00	100.00
T Leasing Company Limited	Motorcycle hire purchase	Thailand	100.00	100.00
X-Gen Premium Company Limited	Dormant	Thailand	100.00	100.00
MBK Center Company Limited	Car park rental	Thailand	99.99	99.99
MBK Asset Company Limited	Dormant	Thailand	100.00	100.00
MBK Shopping Center Company Limited	Investment	Thailand	100.00	100.00
MBK Training Center Company Limited	Training service to affiliates	Thailand	99.99	99.99
MBK Innovation Company Limited	Dormant	Thailand	99.99	99.99
MBK Insurance Broker Company Limited	Dormant	Thailand	99.99	99.99
MBK Charan Company Limited	Real estate	Thailand	100.00	100.00
MBK Service Solution Company Limited	Dormant	Thailand	100.00	100.00
MBK Real Estate Company Limited	Property management service	Thailand	100.00	100.00
MBK Enterprise Company Limited	Golf course and property for lease	Thailand	100.00	100.00
MBK Contact Center Company Limited	Call Center	Thailand	99.99	99.99
MBK Online Company Limited	Online selling (2019: Dormant)	Thailand	99.97	99.97
MBK Club Company Limited	The provision of services of CRM loyalty program	Thailand	99.99	99.99
MBK Food System Company Limited	Dormant	Thailand	99.99	99.99
Apple Auto Auction (Thailand) Company Limited	Vehicle broker	Thailand	53.56	53.56
MBK Guarantee Company Limited*	Lending	Thailand	100.00	100.00
M G 1 Company Limited	Hotel	Thailand	100.00	100.00
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	Property for lease (2019: Construction)	Thailand	100.00	-
Indirectly owned				
The Nine Center Company Limited	Shopping center, property for lease and real estate	Thailand	100.00	100.00
Paradise Park Company Limited	Shopping center and property for lease	Thailand	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
Indirectly owned (continued)				
Paradise Retail Company Limited	Property for lease	Thailand	100.00	100.00
Paradise Place Suanluang Company Limited	Shopping center and property for lease	Thailand	99.99	99.99
Glas Haus Building Company Limited	Dormant (2019: Property for lease)	Thailand	100.00	100.00
MBK Food and Entertainment Company Limited	Food center, space rental and service (cease operation)	Thailand	74.52	62.14
MBK Capital Company Limited	Land rental	Thailand	99.99	99.99
Absolute Travel Company Limited	Hotel	Thailand	99.99	99.99
MBK Leisure Company Limited	Dormant	Thailand	100.00	100.00
MBK Food Island Company Limited	Food center	Thailand	74.52	74.52
Tantara Gallery Company Limited	Dormant	Thailand	99.99	99.99
MBK Resort Public Company Limited	Golf course, hotel and real estate	Thailand	72.99	72.60
NASSET PROPERTY FUND1	Property fund (The Fund matured and dissolution on 31 August 2015)	Thailand	72.45	72.45
Phuket Loch Palm Golf Club Company Limited	Dormant	Thailand	72.60	72.60
PRG Properties Company Limited (Formerly known as "PRG Granary Company Limited")	Warehouse rental, land and transportation	Thailand	74.52	74.52
Ratchsima Rice Company Limited	Distribution and improving the quality of rice, plant and factory building rental	Thailand	74.52	74.52
Sima Pac Company Limited	Factory building rental and transportation	Thailand	74.52	74.52
Innofood (Thailand) Company Limited	Space rental with restaurant's supplies (cease operation)	Thailand	74.52	74.52
Plan Estate Company Limited	Real estate and property management service	Thailand	72.60	72.60
Crystal Lake Properties Company Limited	Real estate	Thailand	72.60	72.60
C L P Management Company Limited	Property management service	Thailand	72.59	72.59
Plan Appraisal Company Limited	Survey and appraisal services	Thailand	72.60	72.60
Lan Bangna Company Limited	Dormant	Thailand	72.60	72.60
Kathu Land Company Limited	Dormant	Thailand	70.36	70.36

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			%	%
Indirectly owned (continued)				
MBK Residence Company Limited	Real estate	Thailand	100.00	100.00
MBK Advanced Company Limited	Dormant	Thailand	99.89	99.89
MBK Sukhumvit Company Limited	Real estate	Thailand	100.00	100.00
M G 3 Company Limited	Held property foreclosed	Thailand	99.97	99.97
M G 4 Company Limited	Held property foreclosed	Thailand	99.97	99.97
MBK Realty Company Limited	Real estate	Thailand	69.00	69.00
MBK Restaurant Group Company Limited	Trading of raw materials and products (cease operation)	Thailand	74.52	74.52
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	Property for lease (2019: Construction)	Thailand	-	100.00
The Nine Tiwanon Company Limited	Shopping center	Thailand	99.70	99.70
MBK Golf Management Company Limited	Personnel management services	Thailand	100.00	100.00
The Olympic Fitness Club Company Limited	Fitness center	Thailand	99.97	99.97
M G 6 Company Limited	Real estate	Thailand	99.97	99.97
MBK Food Service Company Limited	Dormant	Thailand	87.00	87.00
MBK Trading Company Limited	Inventory trading	Thailand	90.00	90.00
MG 7 Company Limited	Dormant	Thailand	99.97	99.97
MG 8 Company Limited	Dormant	Thailand	99.97	99.97
MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")	Insurance broker (2019: Dormant)	Thailand	99.99	-

* As at 31 December 2020, The Company has the indirect holding of 100.00% (2019: The Company has the direct holding of 66.67% and the indirect holding of 33.33% through Riverdale Golf and Country Club Company Limited, total direct and indirect holding of 100.00%.)

During the year 2020, there were the following significant changes:

Glas Haus Ratchada Company Limited

On 26 November 2020, the Extraordinary General Meeting of shareholders No.1/2020 of Glas Haus Ratchada Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 1,084 million to Baht 271 million (0.6 million ordinary shares with par value of Baht 100 per share and 7.5 million preferred shares with par value of Baht 100 per share). The Company received settlement amounting to Baht 813 million on 30 December 2020 from the capital reduction. The book value of investments in subsidiary was equivalent to Baht 750 million. During the year, the Company recognised gain arising from the capital reduction of the subsidiary amounting to Baht 62.6 million as "other income" in the separate financial statements and the decrease of capital has not effect to the Group's shareholding percentage in that company.

MBK Premium Company Limited

On 26 November 2020, the Extraordinary General Meeting of shareholders No.1/2020 of MBK Premium Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 528 million to Baht 132 million (2.1 million ordinary shares with par value of Baht 10 per share and 37.5 million preferred shares with par value of Baht 10 per share). The Company received settlement amounting to Baht 396 million on 30 December 2020 from the capital reduction. The decrease of capital has not affected to the Group's shareholding percentage in that company.

MBK Asset Company Limited

On 26 November 2020, the Extraordinary General Meeting of shareholders No.1/2020 of MBK Asset Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 300 million to Baht 75 million (22.5 million ordinary shares with par value of Baht 10 per share). The Company received settlement amounting to Baht 225 million on 30 December 2020 from the capital reduction. The decrease of capital has not affected to the Group's shareholding percentage in that company.

MBK Guarantee Company Limited

On 17 November 2020, the Board of Directors Meeting of Riverdale Golf and Country Club Company Limited (subsidiary) passed a resolution granting approval to offer 80 million ordinary shares of MBK Guarantee Company Limited to the Company, equivalent to 33 percent of issued and fully paid ordinary shares of MBK Guarantee Company Limited amounting to Baht 905 million (80 million ordinary shares with par value of Baht 11.31 per

share). As a result, the Company's total proportion of shareholding in this company change from indirect owned to 100.00 percent direct owned. The Company had already paid for such share purchase on 8 December 2020.

MBK Food and Entertainment Company Limited

On 1 October 2020, Patum Rice Mill and Granary Public Company Limited entered into a share purchase agreement for ordinary shares of MBK Food and Entertainment Company Limited, a subsidiary of the Group, to purchase 124,999 ordinary shares from an associate, representing a 24.99 percent of its registered capital, at Baht 39 per share, totaling Baht 4.9 million. As a result, the Group's total proportion of shareholding in this company rose from 62.14 percent to 74.52 percent.

MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")

On 5 August 2020, the meeting of the Board of Directors No.8/2020 of the Company passed a resolution granting approval for Paradise Park Company Limited (subsidiary) to acquired 23.95 million ordinary shares of PT Retail Corporation Limited (joint venture), representing a 50.00 percent of its registered capital, from the other existing shareholder at Baht 0.25 per share, totaling Baht 6 million. The Group's total proportion of shareholding in this company increased from 49.99 percent to 99.99 percent and change from joint venture to subsidiary of the Group. The subsidiary had already paid such share purchase on 1 September 2020.

Later on 16 September 2020, the meeting of the Board of Directors No. 9/2020 of T Leasing Company Limited (subsidiary) passed a resolution granting approval to acquired ordinary shares of PT Retail Corporation Limited from Paradise Park Company Limited and Paradise Retail Company Limited of 47.90 million shares or 99.99 percent of its registered capital at Baht 0.48 per share and Baht 0.10 per share, respectively, totaling Baht 13.80 million. T Leasing Company Limited had already paid for such share purchase on 22 September 2020.

On 5 October 2020, the Board of Directors' Meeting of T Leasing Company Limited No. 10/2020, subsidiary of the Group, passed a resolution to increased registered capital of PT Retail Corporation Limited by Baht 3,500 million, by increasing its preferred shares by 350 million shares. As a result, the registered share capital increased from Baht 479 million to Baht 3,979 million. PT Retail Corporation Limited registered capital increased with the Ministry of Commerce on 15 October 2020. Also, the subsidiary registered with the Ministry of Commerce for the change of its name to "MBK Broker Company Limited" to comply with its operation on 21 December 2020.

MBK Properties Company Limited (Formerly known as “T Consultant Company Limited”)

On 1 July 2020, MBK Real Estate Company Limited sold the investment 0.5 million shares, 99.99 percent of the registered share capital, in T Consultant Company Limited to the Company. Then, T Consultant Company Limited has become a direct subsidiary of the Company. And the selling shares have been paid in full by the Company.

On 29 July 2020, the Extraordinary General Meeting of shareholders No.1/2020 of T Consultant Company Limited passed a resolution granting approval to increase the registered share capital from Baht 5 million to Baht 355 million through the issuance of 35 million ordinary shares with par value of Baht 10 per share, totaling amount of Baht 350 million. The registration of capital increase was made with the Ministry of Commerce and the Company already paid up the additional shares on 3 August 2020. Also, the subsidiary registered with the Ministry of Commerce for the change of its name to “MBK Properties Company Limited” to comply with its operation.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- 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 profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investments in subsidiaries and associates presented 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

The 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

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. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of non-listed equity investments - The Group has decided to measure these investments at fair value and classify them as financial

assets at fair value through profit or loss or financial assets at fair value through other comprehensive income.

- Classification and measurement of investments in available-for-sale equity securities
 - The Group has elected to irrevocably classify these investments as financial assets at fair value through other comprehensive income.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies General approach and Management overlay for hire-purchase and loans receivables. The allowance is measured at the amount equal to 12-month expected credit losses, except for the case that there has been a significant increase in credit risk since initial recognition and financial assets that are credit-impaired, the allowance is measured at the amount equal to the lifetime expected credit losses of financial instrument, and simplified approach to consider impairment for trade receivables.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measures them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Group applies hedge accounting for certain derivatives.

The Group recognised the cumulative effect of the adoption of these financial reporting standards 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 to consolidated financial statements.

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 to consolidated financial statements.

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand's measures and electing to apply this Accounting Treatment Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small- and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020.
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions.

Since the Group is an entity providing assistance to affected debtors in accordance with the Bank of Thailand's guidelines, it applies these procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, classification of the debtor remains at the same stage as before.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- The guidelines specified in the appendix of the circular of the Bank of Thailand relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, provided that the provision of assistance is in compliance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, the Group recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the Bank of Thailand's new guidelines if there are changes.
- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

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 on Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

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.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to use information relating to the COVID-19 situation that may affect financial forecasts used in measuring the fair values of property, plant and equipment, and investment property.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to use information relating to the COVID-19 situation that may affect the cash flow forecasts used in testing goodwill for impairment.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

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 has evaluated that these standards do not have any significant impact on the Group's 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 standards

As described in Note 3 to the consolidated financial statements, 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 was recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investments	1,899,534	(1,899,534)	-	-
Other current financial assets	-	1,899,534	-	1,899,534
Loans to customers	15,519,549	(166,046)	-	15,353,503

(Unit: Thousand Baht)

Consolidated financial statements				
	The impacts of			
	Financial reporting standards related to			
	31 December	financial		1 January
	2019	instruments	TFRS 16	2020
Non-current assets				
Other long-term investments	7,186,189	(7,186,189)	-	-
Other non-current financial assets	-	7,258,726	-	7,258,726
Investment properties	8,239,151	-	6,655,205	14,894,356
Property, plant and equipment	5,160,050	-	926,863	6,086,913
Leasehold rights	187,447	-	(187,447)	-
Deferred tax assets	741,362	33,209	-	774,571
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	1,583,713	-	(369,870)	1,213,843
Current portion of lease liabilities	104,866	-	228,925	333,791
Non-current liabilities				
Long-term debentures - net of current portion	11,891,118	72,537	-	11,963,655
Lease liabilities - net of current portion	4,763,910	-	7,535,566	12,299,476
Shareholders' equity				
Retained earnings - unappropriated	17,061,603	(132,837)	-	16,928,766

(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
	31 December	Financial reporting standards related to financial instruments	TFRS 16	1 January
	2019			2020
Statement of financial position				
Assets				
Current assets				
Current investments	1,880,445	(1,880,445)	-	-
Other current financial assets	-	1,880,445	-	1,880,445
Non-current assets				
Other long-term investments	6,981,999	(6,981,999)	-	-
Other non-current financial assets	-	7,054,536	-	7,054,536
Investment properties	4,610,620	-	6,345,862	10,956,482
Property, plant and equipment	845,214	-	744,487	1,589,701
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	777,569	-	(283,928)	493,641
Current portion of lease liabilities	104,866	-	185,382	290,248
Non-current liabilities				
Long-term debentures - net of current portion	11,891,118	72,537	-	11,963,655
Lease liabilities - net of current portion	4,763,910	-	7,188,895	11,952,805

4.1 Financial instruments

a) Details of the impact on retained earnings 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 financial statements
Impacts due to the adoption of financial reporting standards related to financial instruments using the expected credit losses and other adjustments	166,046
Related income tax expense	(33,209)
Impacts on retained earnings - net of income tax	132,837

b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

Consolidated financial statements						(Unit: Thousand Baht)
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9					
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total		
Financial assets as at 1 January 2020						
Cash and cash equivalents	786,156	-	-	786,156	786,156	
Other current financial assets						
- Fixed deposit with maturity over 3 months	3,112	-	-	3,112	3,112	
- Investment in equity securities	1,896,422	-	1,896,422	-	1,896,422	
Trade and other receivables	547,600	-	-	547,600	547,600	
Short-term loans to related parties	56,697	-	-	56,697	56,697	
Loans to customers	15,519,549	-	-	15,353,503	15,353,503	
Restricted bank deposits	3,000	-	-	3,000	3,000	
Other non-current financial assets						
- Investment in loan receivables	28,290	-	28,290	-	28,290	
- Investment in related companies	7,154,309	3,289	7,151,020	-	7,154,309	
- Investment in other companies	3,487	-	3,487	-	3,487	
- Held to maturity investment	103	-	-	103	103	
- Derivative assets	-	72,537	-	-	72,537	
Total financial assets	25,998,725	75,826	9,079,219	16,750,171	25,905,216	

(Unit: Thousand Baht)

	Separate financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
Financial assets as at 1 January 2020				
Cash and cash equivalents	164,897	-	-	164,897
Other current financial assets				
- Investment in equity securities	1,880,445	-	1,880,445	-
Trade and other receivables	194,439	-	-	194,439
Short-term loans to related parties	9,734,807	-	-	9,734,807
Other non-current financial assets				
- Investment in loan receivables	28,290	-	28,290	-
- Investment in related companies	6,953,709	3,289	6,950,420	-
- Derivative assets	-	72,537	-	-
Total financial assets	18,956,587	75,826	8,859,155	10,094,143
				19,029,124

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

- Derivative liabilities of which fair value is Baht 1 million (Separate financial statements: Nil).
- Debenture (only the interest portion applying hedged accounting) of which fair value is Baht 73 million (Separate financial statements: Baht 73 million) .

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	11,051,637	10,405,915
Less: Short-term leases and leases of low-value assets	(35,302)	(19,688)
Add: Option to extend or terminate lease term and purchase option	3,990	-
Less: Contracts reassessed as service agreements	(89,591)	(29,028)
Less: Deferred interest expenses	(3,166,243)	(2,982,922)
Increase in lease liabilities due to TFRS 16 adoption	7,764,491	7,374,277
Liabilities under finance lease agreements as at 31 December 2019	4,868,776	4,868,776
Lease liabilities as at 1 January 2020	12,633,267	12,243,053
Weighted average incremental borrowing rate (percent per annum)	5.12	5.12
Comprise of:		
Current lease liabilities	333,791	290,248
Non-current lease liabilities	12,299,476	11,952,805
	12,633,267	12,243,053

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenue from sales of real estate

Revenue from sales of land, land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon transfer of the legal ownership and receiving payment from customer. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of "Advances received from customers" in the statement of financial position.

For sales of land and houses to foreigners, since there are restrictions on land ownership by foreigners, the Group makes legally enforceable agreements in the form of long-term lease contracts with customers with terms of 30 years and with options to renew the leases for a further 30 years or the maximum period permitted by law. The Group has no involvement with the management of or control over the land and houses sold, either directly or indirectly, and therefore record the revenues from such transactions as sales of properties in order to present the accounting transactions and events based on the substance and economic reality, not the legal form alone, in compliance with the principle of substance over form.

Rendering of services

Service revenue is recognised at a point in time upon completion of the service.

Revenue from hotel operations

Revenue from hotel operations mainly comprises room sales, food and beverage sales and revenue from other related services. Revenue is recognised at a point in time when services have been rendered. Sales are the invoiced value, excluding value added tax, of goods supplied and services rendered after deducting discounts.

Revenue from hire purchase and loan agreements

Interest income

Accounting policies that are effective since 1 January 2020

The Group recognises interest income by using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

The loans to customers which subsequently become credit - impaired, the Group recognise interest income using the effective interest rate method, calculated based on net book value of loans to customers (outstanding balance net of allowance for expected credit losses). In case, the allowance for expected credit losses may no longer exist, the interest income will be calculated from the net book value.

Accounting policies that are applied before 1 January 2020

Interest income is recognised on accrual basis. The Group cease accruing interest income on which payments have been defaulted for more than three installments. Subsequently, the Group recognises interest income of such receivables on a cash basis until the settlement of the overdue debt has been received.

Revenue from financial guarantee

Revenue from financial guarantee is recognised on an accrual basis.

Fee and service income

Accounting policies that are effective since 1 January 2020

Except fee included in the effective interest rate calculation, the Group recognises fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

Accounting policies that are applied before 1 January 2020

Fees and service income is recognised when the related services are performed.

Interest income

Interest income is recognised on an accrual basis and calculated using the effective interest method by applied the effective interest rate to the gross carrying amount of a financial asset, except the financial assets subsequently become credit-impaired, the effective interest rate would be applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

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

Dividends

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

Cost of real estate sales

In determining the costs of land, land and houses sold and cost of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to land and houses and residential condominium units on the basis of the saleable area.

Cost of real estate sales includes cost of other goods, such as furniture and fixtures, that are considered part of the house or residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

5.2 Cash and cash equivalent

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

5.3 Inventories

Finished goods are valued at the lower of cost under the first-in, first-out or weighted average method and net realisable value.

Raw materials, finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value and include all production costs and attributable factory overheads.

Chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Real estate development costs

Real estate development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, land improvement costs, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs.

The Group recognises losses on diminution in value of projects (if any) in profit or loss.

5.5 Cost to obtain a contract

The Group recognises a commission paid to obtain a customer contract as an asset and amortises it as 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 the consideration that the entity expects to receive less direct costs.

5.6 Investments in subsidiaries, joint ventures and associates

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

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

5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 - 40 years. Depreciation of the investment properties is included in determining income.

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.

5.8 Land held for development

Land held for development is presented at the cost less the allowance for impairment of asset (if any).

5.9 Property, plant and equipment and depreciation

Land is stated at cost. Land improvement, building and building improvements, and equipment are stated at cost less accumulated depreciation and the allowance for impairment (if any).

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

Land improvement	5 - 20 years
Buildings and building improvements	5 - 30 years and 40 years
Machinery and equipment	5 - 20 years
Furniture, fixture and office equipment	3 - 10 years
Motor vehicles	5 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.

5.10 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 Company's cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company 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

5.11 Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the profit or loss.

A summary of intangible assets with finite useful lives is as follows:

Computer software	3 - 10 years
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5.12 Property foreclosed

Property foreclosed comprises of the property seized from overdue loan receivables. Property foreclosed is stated at the lower of cost (fair value at transfer for loan settlement date, providing this does not exceed the legally claimable amount of debt) or net realisable value, which is determined with reference to the market price/appraisal value less estimated selling expenses.

Gains or losses of sales of property foreclosed are recognised in profit or loss in the statement of other comprehensive income upon disposal. Loss on impairment (if any) is recognised as expense in profit or loss in the statement of comprehensive income.

5.13 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.

5.14 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	1-17	years
Buildings	13	years
Office equipment	3 - 5	years
Motor 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.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

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.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

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.

5.15 Treasury stock

Treasury stock, which is the Company's ordinary shares purchased by its subsidiaries, is carried at cost and presented as a deduction item from the total shareholders' equity. Gains and losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock" or deducted from "Retained earnings".

5.16 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by the Group, whether directly or indirectly, or which are under common control with the Group. They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

5.17 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

5.18 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 asset, investment properties 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.

In the assessment of asset impairment (except for goodwill), 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.

5.19 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employee and 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

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined 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.

Past service cost 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.

5.20 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.

5.21 Income tax

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

Current tax

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

At the end of each reporting period, 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.

5.22 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 at FVOCI (debt instruments)

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling 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.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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.

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.

The Group may elect to measure financial assets at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.

Classification and measurement of financial liabilities

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

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.

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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Allowance for expected credit losses of hire purchase and loan receivables

The Group recognises expected credit losses of hire purchase and loans receivables under the General Approach. The Group accounts for changes in credit risk of hire purchase receivables in 3 groups as follows:

Group 1: Hire purchase and loan receivables with no significant increase in credit risk (Performing). The financial assets with no significant increase in credit risk since initial recognition, the Group recognises expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Group will use the probability of default which correspond with remaining terms for hire purchase and loan receivables with a remaining maturity of less than 12 months.

Group 2: Hire purchase and loan receivables with significant increase in credit risk (Under-Performing). The financial assets with significant increase in credit risk since initial recognition but not become credit - impaired, the Group recognises expected credit losses at the amount equal to the lifetime expected credit losses of hire purchase and loan receivables.

Group 3: Hire purchase and loan receivables with credit - impaired (Non-Performing). Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets. The Group recognises expected credit losses at the amount equal to the lifetime expected credit losses of hire purchase and loan receivables.

At every reporting date, the Group assesses whether the credit risk of hire purchase and loan receivables has increased significantly since the date of initial recognition by comparing the risk of contract default that is expected to occur throughout the expected life at the report date and credit risk at the date of initial recognition. The Group uses internal quantitative and qualitative factors, and forecasted information as a basis to evaluate decrease on credit quality of hire purchase and loan receivables such as:

- Overdue status, i.e. past due more than 30 days or 1 installment for loan receivable, past due more than 30 days for hire purchase receivable
- Monitoring period of debt repayment situations for debt restructuring agreements
- Receivables in the high-risk group and management give special caution

The Group assesses whether the credit risk has increased significantly from the date of initial recognition, an individual basis or a collective basis.

Hire purchase and loan receivables are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of hire purchase and loan contracts. Evidence that hire purchase and loan receivables are credit-impaired included overdue more than 90 days or having an indication of significant financial difficulty of the borrowers such as breach of contract, bankruptcy status, legal status, vehicle seizure status before overdue more than 90 days or credit - impaired debt restructuring.

Hire purchase and loan receivables with new terms and conditions because of significant financial difficulty of the borrowers, are considered financial assets with significant increase in credit risk or credit-impaired unless there is evidence to state that the risk of not receiving the contractual cash flows significantly decreased and no other indicators of impairment.

The Group considers their historical loss experience, adjusts with the current observable data and add on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Group determines both current and future economic scenario, and probability-weighted in each scenario (base scenario, best scenario and worst scenario) for calculating expected credit losses. The Group has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a yearly basis. Moreover, an Expected Credit Losses model includes the management overlay for the factors which are not captured by the model.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss in the statements of comprehensive income. The Group has a policy to write-off receivables when there is no realistic prospect of recovery.

Allowance for expected credit losses of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses

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

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) 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 fair value of unit trusts is determined from their net asset value.

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

In the event the Group 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 are 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.

5.23 Derivatives and hedge accounting

The Group uses derivatives, such as forward currency contracts and interest rate swap, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is calculated by the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

5.24 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 its 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 is appropriate in the circumstance and maximises the use of relevant observable input related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an 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:

Allowance for expected credit losses of hire-purchase and loan receivables

The management is required to use judgement in estimation in determining the allowance for expected credit losses of hire-purchase receivables and loan receivables and accrued interest receivables. The calculation of allowance for expected credit losses of the Group is based on the criteria of assessing if there has been a significant increase in credit risk and net collateral value, the development of complex expected credit losses model with a series of underlying assumptions. The estimation has various relevant factors; therefore, the actual results may differ from estimates.

Allowance for assets held for sale

In determining an allowance for assets held for sale, the management needs to make judgement and estimates on expected loss from each unit of assets held for sale that based upon, analyses the fair value of assets expected to be sold, estimate from historical sales statistics, aging of outstanding unit of assets held for sale and current economic conditions.

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 exercises 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 (both banks and counterparty), 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

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

In addition, the management is required to review investment properties for impairment on a periodical basis and record impairment loss when it is determined that its 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.

Property, plant and equipment and 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 estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment loss when it is determined that its 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 and intangible assets

The initial recognition and measurement of goodwill and intangible assets, 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 unused 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 estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan 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.

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation. If management believes that no significant loss will result, no related provision are recorded as at the end of reporting period.

7. Related party transactions

In addition to nature of relationship between the Company and related companies except its associates as stated in Note 15, joint ventures as stated in Note 16 and its subsidiaries as stated in Note 17 which are summarised as follows:

Company's name	Relationship
Thanachart Capital Public Company Limited and its subsidiaries	A major group of shareholders of the Company which holds ordinary shares representing for a total of 19.90% and related by the way of common directors.

During the years, the Company and its subsidiaries had the 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 between the Company and its subsidiaries and those related parties.

Transactions with related parties

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2020	2019	2020	2019	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Rental income	-	-	26	34	Market prices
Consulting fees	-	-	4	4	The same rates as the third parties
Management fees	-	-	48	65	Contract price
Dividend income	-	-	1,258	2,434	As declared
Personnel expenses	-	-	104	222	115% of salary of hotel staff paid by a subsidiary for parent company
Hotel management fee	-	-	27	48	Contract price
Security expense	-	-	60	62	115% of the cost of security services paid by a subsidiary for parent company
Interest income	-	-	463	952	MOR and MOR less a fixed rate
Interest expenses	-	-	373	376	MOR and MOR less a fixed rate
Purchase of investment in subsidiary	-	-	905	2,134	Contract price
Transactions with associated companies					
Shared service income	1	2	1	2	Market prices
Management fee	-	7	-	7	Contract price
Dividend income	-	-	-	218	As declared
Project management and sales commission income	5	8	-	-	The same rates as the third parties
Interest income	3	6	3	5	MLR and MLR less a fixed rate
Interest expenses	-	5	-	5	MOR less a fixed rate and fixed deposit of a local commercial bank per annum rate plus a fixed percentage

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2020	2019	2020	2019	
Transactions with related companies					
Rental income	172	181	72	86	Market prices
Dividend income	400	907	390	883	As declared
Project management and sales					
commission income	47	63	-	-	The same rates as the third parties
Hotel franchise fee	-	1	1	1	The same rates as the third parties
Insurance expenses	1	1	-	1	The same rates as the third parties
Operating expense	27	-	-	-	Contract price

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Million Baht)

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2020	2019	2020	2019
Trade and other receivables	11				
Subsidiaries		-	-	64	140
Associated companies		-	4	1	-
Related companies		35	31	2	-
Total trade and other receivables		35	35	67	140
Short-term loans to related companies					
Subsidiaries		-	-	7,110	9,682
Associated companies		55	57	52	53
Total short-term loans to related companies		55	57	7,162	9,735
Dividend receivable					
Subsidiaries		-	-	36	-
Related company		-	533	-	520
Total dividend receivable		-	533	36	520
Other non-current financial assets /Long-term investments - available-for-sales securities	18, 19				
Related companies		4,599	7,151	4,482	6,950
Trade and other payables	28				
Subsidiaries		-	-	80	92
Related companies		79	72	-	-
Total trade and other payables		79	72	80	92
Short-term loans from related companies					
Subsidiaries		-	-	7,933	8,226
Other current liabilities - advance rental deposits and rental deposits					
Related companies		60	47	23	23

(Unit: Million Baht)				
Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Advance rental and service deposits				
Subsidiaries	-	-	-	299
Deposits				
Subsidiaries	-	-	4	8
Long-term liabilities under finance lease agreements				
Subsidiary	-	-	10	14

Short-term loans to related companies are unsecured loans that are due at call, consisting of Baht loans bearing interest at the MOR and MLR of two local commercial banks less fixed percentages per annum and a US dollar loan bearing interest at a fixed rate per annum.

Short-term loans from related companies represent short-term loans for working capital and repayable at call. The loans bearing interest at MOR of a local commercial bank less a fixed percentage per annum, and at fixed deposit rate of a local commercial bank plus a fixed percentage per annum.

Liabilities under finance lease agreements represent financial lease liabilities for the lease motor vehicles from a subsidiary for 72 monthly installments. Interest rates are 3.95 - 5.68% per annum (2019: 5.20% - 5.68% per annum).

The movements on short-term loans to and short-term loans from related companies are as follows:

(Unit: Million Baht)				
	Consolidated financial statements			
	Balance as at	During the period		Balance as at
	31 December			31 December
	2019	Addition	Settlement	2020
Short-term loans to related companies				
Paemala Spa Company Limited	4	-	(1)	3
Max Asset Management Company Limited	52	-	(4)	48
TM Broker Company Limited	1	3	-	4
Total	57	3	(5)	55

(Unit: Million Baht)

	Separate financial statements			
	Balance as at			Balance as at
	31 December	During the period		31 December
	2019	Addition	Settlement	2020
Short-term loans to related companies				
Riverdale Golf and Country Club				
Company Limited	5,660	1,390	(7,050)	-
T Leasing Company Limited	3,620	4,872	(5,684)	2,808
MBK Training Center Company Limited	6	7	(10)	3
MBK Real Estate Company Limited	354	438	(359)	433
MBK Hotels and Tourism Company Limited	-	20	(7)	13
MBK Contact Center Company Limited	41	5	-	46
MBK Club Company Limited	1	1	(2)	-
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	-	3	(3)	-
TM Broker Company Limited	1	2	-	3
Max Asset Management Company Limited	52	-	(3)	49
MBK Guarantee Company Limited	-	7,435	(3,628)	3,807
Total	9,735	14,173	(16,746)	7,162
Short-term loans from related companies				
Supsinnthanee Company Limited	438	20	(12)	446
MBK Hotels and Resorts Company Limited	964	662	(647)	979
MBK Premium Company Limited	559	35	(433)	161
MBK Asset Company Limited	340	15	(246)	109
MBK Business Company Limited	371	86	(87)	370
Glas Haus Ratchada Company Limited	993	437	(1,250)	180
Primacy Elegance Investments Limited	279	33	-	312
Lanta Land Development Company Limited	89	35	(43)	81
MBK Insurance Broker Company Limited	2	-	-	2
MBK Innovation Company Limited	2	-	-	2
MBK Smart Force Security Guard Company Limited	5	4	(9)	-
MBK Hotels and Tourism Company Limited	10	-	(10)	-
MBK Service Solution Company Limited	154	7	(13)	148

(Unit: Million Baht)

	Separate financial statements			
	Balance as at			Balance as at
	31 December	During the period		31 December
	2019	Addition	Settlement	2020
Short-term loans to related companies (continued)				
MBK Square Company Limited	109	10	(8)	111
MBK Charan Company Limited	11	-	-	11
X-Gen Premium Company Limited	71	3	(23)	51
MBK Training Center Company Limited	-	5	(5)	-
MBK Shopping Center Company Limited	1,003	329	(268)	1,064
MBK Enterprise Company Limited	1,749	120	(58)	1,811
MBK Online Company Limited	1	-	(1)	-
MBK Center Company Limited	2	6	(5)	3
MBK Foods System Company Limited	652	29	-	681
M G 1 Company Limited	62	40	(66)	36
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	-	348	(18)	330
MBK Club Company Limited	-	5	(4)	1
Apple Auto Auction (Thailand) Company Limited	360	182	(60)	482
Riverdale Golf and Country Club Company Limited	-	607	(45)	562
Total	8,226	3,018	(3,311)	7,933
Lease liabilities				
MBK Premium Company Limited	14	1	(5)	10

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of its directors and management as below:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	75,072,066	119,186,902	54,796,381	89,750,067
Post-employment benefits	8,211,729	30,500,345	7,058,484	29,290,436
Total	83,283,795	149,687,247	61,854,865	119,040,503

8. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	7,073,731	9,344,671	1,682,876	1,751,032
Cash at banks	3,834,587,728	776,810,920	3,237,158,472	163,145,931
Cash and cash equivalents	3,841,661,459	786,155,591	3,238,841,348	164,896,963

As at 31 December 2020, bank deposits in savings accounts and fixed deposits carried interests between 0.07 to 2.00 percent per annum (2019: between 0.13 to 2.25 percent per annum).

9. Current investments

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
	2019	2019
Fixed deposits with maturity over 3 months	3,112,592	-
Investment in equity securities	2,278,065,525	2,255,728,619
Less: Unrealised losses on changes in values of investments	(381,643,725)	(375,284,069)
Investment in equity securities - net	1,896,421,800	1,880,444,550
Current investments	1,899,534,392	1,880,444,550

The movements on current investments during the year 2019 are as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
	2019	2019
Book value at beginning of year	1,883,120,154	1,864,603,600
Increase in investments	633,302,712	630,217,174
Sales of investments	(286,823,947)	(286,823,947)
Changes in fair values of available-for-sale securities	(330,064,527)	(327,552,277)
Book value at the ending of year	1,899,534,392	1,880,444,550

During the year 2020, the Group disposed financial assets measured at fair value through other comprehensive income (which was approved by the Board of Directors' Meeting of the Group), with the amounts of book value and loss of Baht 2,399 million and Baht 959 million, respectively (separate financial statements: the amounts of book value and loss of Baht 2,256 million and Baht 931 million, respectively). The Group recorded loss by transfer to unappropriated retained earnings in the statement of changes in shareholders' equity.

10. Other current financial assets

	(Unit: Baht)
	Consolidated
	financial statements
	2020
Financial asset measurement with amortised cost	
Fixed deposits with maturity over 3 months	3,137,322
Forward contract	150,537
Total other current financial assets	3,287,859

11. Trade and other receivables

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	30,670,919	30,675,361	63,113	1,403,192
Past due				
Overdue 1 - 30 days	678,740	699,894	2,221,328	3,949,944
Overdue more than 30 - 60 days	-	112,136	-	200
Overdue more than 60 - 90 days	20,000	123,264	-	-
Overdue more than 90 days	1,296,827	31,020	-	-
Total trade receivables - related parties	32,666,486	31,641,675	2,284,441	5,353,336

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due				
Unbilled	274,431,384	-	194,097,437	-
Billed	163,529,455	179,713,874	30,506,414	17,995,096
Past due				
Overdue 1 - 30 days	159,661,656	101,988,810	30,100,278	5,919,724
Overdue more than 30 - 60 days	35,986,703	18,271,581	18,116,483	4,272,366
Overdue more than 60 - 90 days	17,600,027	1,811,267	15,220,991	503,657
Overdue more than 90 days	53,367,665	24,059,812	26,600,993	1,165,926
Total	704,576,890	325,845,344	314,642,596	29,856,769
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful account)	(11,103,954)	(10,887,554)	(1,314,052)	(186,473)
Total trade receivables - unrelated parties, net	693,472,936	314,957,790	313,328,544	29,670,296
	726,139,422	346,599,465	315,612,985	35,023,632
Other receivables - related parties				
Interest receivables	-	-	30,124,118	82,909,325
Prepaid expenses	4,872	21,614	-	14,589
Other receivables	2,084,603	2,652,771	33,925,264	51,680,000
Total other receivables - related parties	2,089,475	2,674,385	64,049,382	134,603,914
Other receivables - unrelated parties				
Advances	1,362,364	3,030,835	-	-
Interest receivables	16,842,902	8,549,371	-	-
Premium receivables	30,925,000	40,759,000	-	-
Prepaid expenses	35,254,722	41,548,436	19,170,521	22,781,482
Other receivables	118,724,802	104,438,393	602,238	2,029,877
Total other receivables - unrelated parties	203,109,790	198,326,035	19,772,759	24,811,359
Total other receivables	205,199,265	201,000,420	83,822,141	159,415,273
Total trade and other receivables - net	931,338,687	547,599,885	399,435,126	194,438,905

12. Loans to customers

12.1 Classified by loans to customers type

(Unit: Baht)

	Consolidated financial statements	
	2020	2019
Loans	8,881,024,751	8,245,884,810
Installment receivables	6,066,666	6,066,666
Hire purchase receivables	9,094,730,716	9,637,648,492
Less: Deferred revenue	(1,714,352,911)	(1,967,930,174)
Total loans to customers	16,267,469,222	15,921,669,794
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(754,978,571)	(402,121,254)
Total	15,512,490,651	15,519,548,540
Less: Current portion of loans to customers	(4,202,156,144)	(4,142,211,781)
Loans to customers - net of current portion	11,310,334,507	11,377,336,759

12.2 Classified by aging from the maturity date

(Unit: Baht)

	Consolidated financial statements	
	Loans to customers - net of deferred revenue	Allowance for expected credit losses
	2020	2020
Loans to customers with no significant increase in credit risk (Performing)	13,688,647,145	(215,507,566)
Loans to customers with significant increase in credit risk (Under - performing)	1,136,683,475	(170,977,333)
Loans to customers with credit - impaired (Non - performing)	1,442,138,602	(368,493,672)
Total	16,267,469,222	(754,978,571)

	(Unit: Baht)
	Consolidated financial statements
	2019
Not yet due or overdue less than 1 month	13,323,206,488
Overdue 1 - 3 months	1,285,378,990
Overdue more than 3 - 6 months	515,917,378
Overdue more than 6 - 12 months	537,075,566
Overdue more than 12 months	260,091,372
Total	15,921,669,794
Less: Allowance for doubtful accounts	(402,121,254)
	15,519,548,540

Movements of allowance for expected credit losses/allowance for doubtful accounts for loans to customers and hire purchase receivables are as follows:

	(Unit: Baht)				
	2020				
	12-month ECL (Group 1)	Lifetime ECL (Group 2)	Lifetime ECL (Group 3)	Allowance for doubtful accounts	Total
Beginning balance	-	-	-	402,121,252	402,121,252
Changes from adoption of new financial reporting standards ⁽¹⁾	115,107,921	120,101,468	332,958,182	(402,121,252)	166,046,319
Beginning balance as restated	115,107,921	120,101,468	332,958,182	-	568,167,571
Add: Increase in allowance for expected credit losses	100,399,645	50,875,865	35,535,490	-	186,811,000
Ending balance	215,507,566	170,977,333	368,493,672	-	754,978,571

⁽¹⁾ The beginning balance of the year's allowance for doubtful accounts was presented with the value which was recognised under the previous accounting policy. Currently, it is presented as 12-month ECL and Lifetime ECL in accordance with TFRS 9. The comparative information for prior period's financial statement was not restated as described in Note 4 to consolidated financial statements.

12.3 Loans and installment receivables

The Group has finance business segment which operated in lending business with secured short-term and long-term loans. Details are as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	2020	2019
Loans	8,881,024,751	8,245,884,810
Installment receivables	6,066,666	6,066,666
Total Loans and installment receivables	8,887,091,417	8,251,951,476
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(76,035,944)	(19,913,499)
Total	8,811,055,473	8,232,037,977
Less: Current portion	(1,032,194,220)	(997,401,778)
Net of current portion	7,778,861,253	7,234,636,199

Short-term and long-term loans to persons and companies are secured by the pledged/mortgaged of borrower's assets specified in the loan agreements and carried interest at rates reference to rates of a commercial bank. Long-term loans are mature between 1 - 30 years. However, the value of collateral of most of the overdue loans over 3 months were higher than the outstanding balances.

As at 31 December 2020, loans and installment receivables classified by aging from the maturity date and allowance for expected credit losses are as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	Loans and Installment receivables	Allowance for expected credit losses
	2020	2020
Loans and installment receivables with no significant increase in credit risk (Performing)	7,375,928,413	(27,102,592)
Loans and installment receivables with significant increase in credit risk (Under - performing)	465,716,426	(1,294,873)
Loans and installment receivables with credit - impaired (Non - performing)	1,045,446,578	(47,638,479)
Total	8,887,091,417	(76,035,944)

(Unit: Baht)

	2019		
	Loans and installment receivables	Allowance for doubtful accounts	Total
Not yet due or overdue less than 1 month	6,617,141,627	-	6,617,141,627
Overdue 1 - 3 months	683,254,862	-	683,254,862
Overdue more than 3 - 6 months	331,718,472	(2,423,492)	329,294,980
Overdue more than 6 - 12 months	461,976,228	(4,845,707)	457,130,521
Overdue more than 12 months	157,860,287	(12,644,300)	145,215,987
Total	8,251,951,476	(19,913,499)	8,232,037,977

Movements of allowance for expected credit losses/allowance for doubtful accounts for loans and installment receivables are as follows:

(Unit: Baht)

	2020				
	12-month ECL (Group 1)	Lifetime ECL (Group 2)	Lifetime ECL (Group 3)	Allowance for doubtful accounts	Total
Beginning balance	-	-	-	19,913,498	19,913,498
Changes from adoption of new financial reporting standards ⁽¹⁾	39,595,242	5,650,094	50,789,165	(19,913,498)	76,121,003
Beginning balance as restated	39,595,242	5,650,094	50,789,165	-	96,034,501
Add: Reversal in allowance for expected credit losses	(12,492,650)	(4,355,221)	(3,150,686)	-	(19,998,557)
Ending balance	27,102,592	1,294,873	47,638,479	-	76,035,944

⁽¹⁾ The beginning balance of the year's allowance for doubtful accounts was presented with the value which was recognised under the previous accounting policy. Currently, it is presented as 12-month ECL and Lifetime ECL in accordance with TFRS 9. The comparative information for prior period's financial statements was not restated as described in Note 4 to consolidated financial statements.

12.4 Hire purchase receivables

The average contract period of hire purchase receivables are 1 - 5 years with interest charged at the fixed rate as specified in the contracts. The remaining hire purchase receivables were classified by due date are as follows:

(Unit: Baht)

	Consolidated financial statements			
	2020			
	Amounts due under the agreements			
	Less than 1 year	1 - 5 years	Non-performing loans ⁽²⁾	Total
Gross investment in the agreements	4,182,281,571	4,410,743,606	501,705,538	9,094,730,715
Unearned financial income ⁽¹⁾	(981,346,323)	(627,993,074)	(105,013,513)	(1,714,352,910)
Present value of the minimum lease payments	3,200,935,248	3,782,750,532	396,692,025	7,380,377,805
Less: Allowance for expected credit losses				(678,942,627)
Hire purchase receivables - net				6,701,435,178
Less: Current portion of hire purchase receivables				(3,169,961,924)
Hire purchase receivables - portion due more than 1 year				3,531,473,254

⁽¹⁾ After deduction of commission and deferred initial direct costs of hire-purchase.

⁽²⁾ Non-performing loans are hire purchase receivables that are credit impaired.

(Unit: Baht)

	Consolidated financial statements			
	2019			
	Amounts due under the agreements			
	Less than 1 year	1 - 5 years	Non-performing loans ⁽⁴⁾	Total
Gross investment in the agreements	4,313,000,997	4,848,506,080	476,141,415	9,637,648,492
Unearned financial income ⁽³⁾	(1,147,512,567)	(705,805,520)	(114,612,087)	(1,967,930,174)
Present value of the minimum lease payments	3,165,488,430	4,142,700,560	361,529,328	7,669,718,318
Less: Allowance for doubtful accounts				(382,207,755)
Hire purchase receivables - net				7,287,510,563
Less: Current portion of hire purchase receivables				(3,144,810,003)
Hire purchase receivables - portion due more than 1 year				4,142,700,560

⁽³⁾ After deduction of commission and deferred initial direct costs of hire-purchase

⁽⁴⁾ Non-performing loans are loans that cease revenue recognition on the accrual basis, presenting the current portion of receivables.

As at 31 December 2020, hire purchase receivables were classified by aging from the maturity date as stated in the contract and allowance for expected credit losses are as follows:

	(Unit: Baht)	
	Consolidated financial statements	
	Hire purchase receivable - net of unearned financial income	Allowance for expected credit losses
	2020	2020
Hire purchase receivables with no significant increase in credit risk (Performing)	6,312,718,732	(188,404,974)
Hire purchase receivables with significant increase in credit risk (Under - performing)	670,967,049	(169,682,460)
Hire purchase receivables with credit - impaired (Non - performing)	396,692,025	(320,855,193)
Total	7,380,377,806	(678,942,627)

	(Unit: Baht)	
	Consolidated financial statements	
	2019	
Not yet due or overdue less than 1 month	6,706,064,862	
Overdue 1 - 3 months	602,124,128	
Overdue more than 3 - 6 months	184,198,906	
Overdue more than 6 - 12 months	75,099,338	
Overdue more than 12 months	102,231,084	
Total	7,669,718,318	
Less: Allowance for doubtful accounts	(382,207,755)	
Hire purchase receivables - net	7,287,510,563	

Movements of allowance for expected credit losses/allowance for doubtful accounts for hire purchase receivables are as follows:

(Unit: Baht)

	2020				
	12-month ECL (Group 1)	Lifetime ECL (Group 2)	Lifetime ECL (Group 3)	Allowance for doubtful accounts	Total
Beginning balance	-	-	-	382,207,754	382,207,754
Changes from adoption of new financial reporting standards ⁽¹⁾	75,512,679	114,451,374	282,169,017	(382,207,754)	89,925,316
Beginning balance as restated	75,512,679	114,451,374	282,169,017	-	472,133,070
Add: Increase in allowance for expected credit losses	112,892,295	55,231,086	38,686,176	-	206,809,557
Ending balance	188,404,974	169,682,460	320,855,193	-	678,942,627

⁽¹⁾ The beginning balance of the year's allowance for doubtful accounts was presented with the value which was recognised under the previous accounting policy. Currently, it is presented as 12-month ECL and Lifetime ECL in accordance with TFRS 9. The comparative information for prior period's financial statements was not restated as described in Note 4 to consolidated financial statements.

13. Inventories

(Unit: Baht)

	Consolidated financial statements					
	Cost		Decrease to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Property development for sale*	2,530,821,369	3,314,138,835	(6,950,193)	(6,950,193)	2,523,871,176	3,307,188,642
Finished goods	76,379,818	86,484,321	(613,433)	(608,115)	75,766,385	85,876,206
Raw materials	131,713,225	197,787,426	-	-	131,713,225	197,787,426
Supplies and equipment for operations	100,425,627	101,905,573	(2,968,577)	(143,987)	97,457,050	101,761,586
Food and beverage	11,525,320	14,423,595	-	-	11,525,320	14,423,595
Goods in transit	97,614	1,482,765	-	-	97,614	1,482,765
Total inventories	2,850,962,973	3,716,222,515	(10,532,203)	(7,702,295)	2,840,430,770	3,708,520,220

(Unit: Baht)

	Separate financial statements					
	Cost		Decrease to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Supplies and equipment for operations	29,700,468	32,497,759	-	-	29,700,468	32,497,759
Food and beverage	2,786,862	4,017,580	-	-	2,786,862	4,017,580
Total inventories	32,487,330	36,515,339	-	-	32,487,330	36,515,339

* Property development for sale mainly consist of land, land and house held for sales and developing condominium units.

During the current year, the Group reduced cost of inventories by Baht 2.8 million (2019: Baht 6.7 million), to reflect the net realisable value and recorded as cost of sales during the year.

During the current year, the Group capitalised borrowing costs of Baht 31.89 Million (2019: Baht 25.18 million) as a part of cost of real estate development projects for sales. The capitalisation rate is 3.66-3.73 percent per annum (2019: 3.88 - 3.99 percent per annum).

As at 31 December 2020, a subsidiary has pledged inventories of approximately Baht 203 million (2019: Baht 275 million) to secure a loan facility from a financial institution, as discussed in Note 27.

14. Other current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deposit	6,969,635	9,067,264	3,178,523	3,326,145
Value added tax refundable	62,850,997	31,841,401	30,996,623	7,564,508
Withholding deducted at source	64,978,652	43,445,277	30,303,381	-
Receivable from Revenue Department	675,870	303,944,796	-	-
Advance paid for construction contracts	12,432,814	34,316,272	-	-
Others	43,067,890	49,272,670	4,331,301	3,352,297
Other current assets	190,975,858	471,887,680	68,809,828	14,242,950

15. Investments in associates

15.1 Details of associates

	Nature of business	Country of incorporation	Shareholding percentage both directly and indirectly owned	
			2020	2019
			%	%
Directly owned				
Siam Pivat Company Limited	Shopping center and property for lease	Thailand	48.66	48.66
Max Asset Management Company Limited	Asset management	Thailand	16.56	16.56
Puen Pob Patt Company Limited	Dormant	Thailand	36.29	36.29
Lam Luk Ka Golf and Country Club Company Limited	Golf course	Thailand	48.60	46.46
MBK Life Assurance Public Company Limited	Life insurance	Thailand	49.00	49.00
MT Service 2016 Company Limited	Back-office and business support	Thailand	49.00	49.00
TM Broker Company Limited	Agents and consultants for non-life and life insurance	Thailand	49.00	49.00
Indirectly owned				
Paemala Spa Company Limited	Property for lease	Thailand	25.00	25.00
DMS Property Investment Private Limited	Hotel	Republic of Maldives	35.00	35.00

15.2 Share of comprehensive income and dividend received

(Unit: Baht)

	Consolidated financial statements					
	Cost		Carrying amount based on equity method		Share of profits (losses) from investments in associates during the years	
	2020	2019	2020	2019	2020	2019
Siam Piwat Company Limited	3,886,239,957	3,886,239,957	5,074,873,540	5,108,499,120	(33,625,580)	507,044,687
Max Asset Management Company Limited	6,624,010	6,624,010	56,260,790	76,310,593	1,088,646	37,012,304
Paemala Spa Company Limited	1,250,000	1,250,000	-	-	-	-
Puen Pob Patt Company Limited	479,530	479,530	-	-	-	-
Apple Auto Auction (Thailand) Company Limited	-	-	-	-	-	52,141,301
DMS Property Investment Private Limited	2,293,900	408,482,628	16,408,374	414,192,671	565,928	283,797,220
Lam Luk Ka Golf and Country Club Company Limited	312,990,164	310,757,563	319,152,434	328,528,663	(11,608,831)	2,262,527
MBK Life Assurance Public Company Limited	588,668,836	441,668,836	435,880,886	535,607,739	(183,054,871)	(108,797,711)
MT Service 2016 Company Limited	24,500,000	24,500,000	4,179,258	4,624,580	(1,468,748)	(4,166,447)
TM Broker Company Limited	9,800,000	9,800,000	11,764,532	9,863,106	1,283,105	1,159,403
Investments in associates	4,832,846,397	5,089,802,524	5,918,519,814	6,477,626,472	(226,820,351)	770,453,284

(Unit: Baht)

	Separate financial statement			
	Cost		Dividend received for the years ended 31 December	
	2020	2019	2020	2019
Siam Piwat Company Limited	3,886,239,957	3,886,239,957	-	192,705,540
Max Asset Management Company Limited	6,624,010	6,624,010	-	-
Puen Pob Patt Company Limited	479,530	479,530	-	-
Apple Auto Auction (Thailand) Company Limited	-	-	-	18,000,000
Lam Luk Ka Golf and Country Club Company Limited	312,990,164	310,757,563	-	6,755,599
MBK Life Assurance Public Company Limited	588,668,836	441,668,836	-	-
MT Service 2016 Company Limited	24,500,000	24,500,000	-	-
TM Broker Company Limited	9,800,000	9,800,000	-	-
Investments in associates	4,829,302,497	4,680,069,896	-	217,461,139
Less: Allowance for impairment of investments	(479,530)	(479,530)		
Investments in associates - net	4,828,822,967	4,679,590,366		

The movements on investments in associates during the years are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2020	2019	2020	2019
Book value at beginning of year	6,477,626,472	6,417,625,601	4,679,590,366	4,722,729,869
Increase in investments in associates	149,232,601	3,466,997	149,232,601	1,860,497
Classify to investment in subsidiary	-	(181,512,904)	-	(45,000,000)
Decrease in share capital of associate	(406,188,728)	-		-
Share of profit (loss) from investments in associates	(226,820,351)	770,453,284	-	-
Dividend received from associates	-	(527,099,387)	-	-
Sale of investment in associate	-	(1,606,500)	-	-
Other changes in investments in associates	(75,330,180)	(3,700,619)	-	-
Book value at the ending of year	<u>5,918,519,814</u>	<u>6,477,626,472</u>	<u>4,828,822,967</u>	<u>4,679,590,366</u>

Investment in associate - Siam Piwat Company Limited

During 2019, the Company has accessed the fair value of the net asset acquired assumed at the acquisition date, in order to allocate costs of the business acquisition to the identifiable items and the process completed during 2019 within the period of twelve months from the acquisition date allowed by Financial Reporting Standard No. 3 (revised 2017), Business Combinations. The book value and fair value of net assets of Siam Piwat Company Limited, as at the investment date, for allocation of cost of the business acquisition, are as follows:

	(Unit: Million Baht)	
	Fair value	Book value
Cash and cash equivalents	1,157	1,157
Current investments	2,463	2,463
Trade and other receivables	578	578
Short-term loans to related companies	54	54
Inventories	107	107
Other current assets	753	753
Investments in associates	1,674	1,121
Long-term loans to related companies	178	178
Property, plant and equipment and investment properties - net	23,691	22,194
Leasehold rights	4,480	2,568
Intangible assets	396	396
Other non-current assets	70	70
Trade and other payables	(1,265)	(1,265)
Short-term loans from related companies	(3)	(3)
Unearned revenue	(522)	(522)
Corporate income tax payable	(55)	(55)
Deferred tax liabilities	(793)	-
Other current liabilities	(51)	(47)
Long-term loans from financial institutions	(10,378)	(10,378)
Long-term debentures	(5,300)	(5,300)
Unearned deferred leasehold right	(3,186)	(3,186)
Deposits	(1,985)	(1,985)
Net asset values	12,063	8,898
Less: Non-controlling interests	(3,798)	(3,798)
Net asset values - attributable to owners of the Company	8,265	5,100
Shareholding percentage (%)	17.81	17.81
Net book value	1,472	908
Cash payment for acquisition of investment	1,472	1,472
Cost of business acquisition higher than net book value	-	564

Investment in associate - Dusit Maldives Investment Company Limited

On 6 March 2019, the meeting of the Board of Directors No. 3/2019 of the Company passed a resolution granting approval for the MBK Hotels and Resorts Company Limited, a subsidiary of the Company, to establish a new associate company named Dusit Maldives Investment Company Limited, with a registered share capital 150,000 shares with par value of USD 1 per share, totaling USD 150,000. The Group indirectly holds 35% of this company through MBK Hotels and Resorts Company Limited, which holds 52,500 ordinary shares with a par value of USD 1 per share. Currently, the new company had already registered to establish on 31 July 2019, a subsidiary of the Company paid in registered share on 20 September 2019 for a total of USD 52,500.

On 25 September 2019, the subsidiary of the Company sold all of according shares to Dusit Thani Property REIT (DREIT) of 52,500 ordinary shares with par value of USD 1 per share, totaling USD 52,500. A subsidiary of the Company had already received all amount of payment.

Investment in associate - DMS Property Investment Private Limited

On 11 December 2019, the meeting of Board of Directors No.10/2019 of DMS Property Investment Private Limited passed a resolution to approve a decrease in its registered share capital from USD 38.50 million to USD 0.20 million. On 23 March 2020, MBK Hotel and Resort Company Limited (the subsidiary of the Company) received settlement of Baht 439.28 million (USD 13.41 million) from the capital reduction. The decrease of capital did not affect to the Group's shareholding percentage in that company.

On 25 September 2019 and 25 December 2019, the subsidiary of the Company received dividend from DMS Property Investment Private Limited total amount of Baht 309.64 million.

Investment in associate - MBK Life Assurance Public Company Limited

On 7 May 2020, the meeting of Board of Directors No.5/2020 of the Company passed a resolution to approve an increase in its investment in associate in accordance with the resolution of Board of Directors of MBK Life Assurance Public Company Limited that approved an increase in its registered share capital from Baht 700 million to Baht 1,000 million through the issuance of new ordinary shares of 30 million shares at a par value of 10 Baht per share, totaling Baht 300 million. The Company bought 49% of the newly issued ordinary shares in proportion of its existing shareholding in totaling Baht 147 million and paid for such shares on 15 May 2020.

15.3 Summarised financial information about material associates

Summarised information about financial position

	Siam Piwat Company Limited and its subsidiaries		DMS Property Investment Private Limited		(Unit: Million Baht) MBK Life Assurance Public Company Limited	
	2020	2019	2020	2019	2020	2019
Current assets	6,547	5,142	59	1,535	7,035	8,318
Non-current assets	43,483	41,856	-	-	29	12
Current liabilities	(3,842)	(4,147)	(14)	(352)	(140)	(157)
Non-current liabilities	(31,459)	(27,777)	-	-	(5,980)	(7,017)
Net assets	14,729	15,074	45	1,183	944	1,156
Shareholding percentage (%)	48.66	48.66	35.00	35.00	49.00	49.00
Share of net assets	7,167	7,335	16	414	463	566
Cost of business acquisition lower than net book value	(2,093)	(2,227)	-	-	(27)	(30)
Carrying amounts of associates based on equity method	5,074	5,108	16	414	436	536

Summarised information about comprehensive income

	Siam Piwat Company Limited and its subsidiaries		DMS Property Investment Private Limited		(Unit: Million Baht) MBK Life Assurance Public Company Limited	
	2020	2019	2020	2019	2020	2019
Revenue	7,293	10,880	2	1,419	492	1,498
Profit (loss) for the year	(213)	1,317	2	811	(383)	(231)
Other comprehensive income	-	-	-	-	(130)	121
Total comprehensive income	(213)	1,317	2	811	(513)	(110)

15.4 Aggregate amount of share of comprehensive income from other associates (excluding associates named in Note 15.3)

	(Unit: Million Baht)	
	For the years ended 31 December	
	2020	2019
Share of comprehensive income:		
Gain (loss) from continuing operations	(12)	91
Total comprehensive income	(10)	88

16. Investment in joint ventures

16.1 Detail of investment in joint ventures

Investment in joint ventures represents investment in entity which is jointly controlled by the subsidiary and other company. Detail of this investment is as follows:

Joint ventures	Nature of business	Country of	Shareholding percentage	
		incorporation	2020	2019
			%	%
Directly owned				
TM Communication and Brand Management Company Limited	Rental space and design services for advertisements, internet public relations, journals and all kinds of publications	Thailand	50.00	-
Indirectly owned				
MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")*	Retail business in shopping center (Ceased business in February 2019)	Thailand	-	50.00
Rehappy Plus Company Limited	Hospital	Thailand	50.00	50.00

* Change from investment in joint venture to investment in subsidiary on 1 September 2020, as discussed in Note 2.2 to the financial statements.

Investment in joint venture - TM Communication and Brand Management Company Limited

The Company joined the joint investment by establishing a new company named TM Communication and Brand Management Company Limited on 29 May 2020, with a registered share capital 0.50 million shares with par value of Baht 10 per share, totaling Baht 5 million. The Company has a direct shareholding in that company 50% and has paid for the full amount and registered with the Ministry of Commerce on 1 June 2020.

Investment in joint venture - PT Retail Corporation Company Limited

On 9 April 2019, the meeting of the Annual General Meeting for the year 2019 of the PT Retail Corporation Limited passed a resolution granting approval to PT Retail Corporation Limited, a joint venture of the Group, to increase its registered share capital from Baht 400 million to Baht 479 million, through the issuance of 7.9 million ordinary shares with a par value of Baht 10 per share, totaling Baht 79 million, with all shares to be allocated to Paradise Retail Company Limited, the shareholder of such company. PT Retail Corporation Limited paid in the called-up share subscription on 18 April 2019.

The increased share capital of the subsidiary was registered with the Ministry of Commerce on 22 April 2019.

Investment in joint venture - Rehapp Plus Company Limited

On 13 February 2019, MBK Hotel and Tourism Company Limited, a subsidiary of the Company, established a new company named Rehapp Plus Company Limited, in accordance with the joint venture agreement dated 28 January 2019, with a registered share capital 0.50 million shares with par value of Baht 10 per share, totaling Baht 5 million. The Company indirectly holds 50% of this company through MBK Hotel and Tourism Company Limited, which holds 0.25 million ordinary shares with a par value of Baht 10 per share. On 12 February 2019, MBK Hotel and Tourism Company Limited paid for the called-up share subscription to the total of Baht 2.50 million.

16.2 Share of comprehensive income

During the year, the Group recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Baht)

Joint ventures	Consolidated financial statements					
	Cost		Carrying amounts based on equity method		Share of profit (losses) from investment in joint ventures for year	
	2020	2019	2020	2019	2020	2019
TM Communication and Brand Management Company Limited	2,500,000	-	2,874,058	-	374,058	-
MBK Broker Company Limited (Formerly known as "PT Retail Corporation Limited")	-	239,500,000	-	2,192,306	(18,940)	192,870
Rehapp Plus Company Limited	2,500,000	2,500,000	471,373	1,255,213	(783,840)	(1,244,787)
Investment in joint ventures	5,000,000	242,000,000	3,345,431	3,447,519	(428,722)	(1,051,917)
Less: Allowance for impairment of investment	-	(237,500,563)				
Investment in joint ventures - net	5,000,000	4,499,437				

(Unit: Baht)

Joint ventures	Separate financial statements	
	Cost	
	31 December 2020	31 December 2019
TM Communication and Brand Management Company Limited	2,500,000	-
Investment in joint ventures	2,500,000	-
Less: Allowance for impairment of investment	-	-
Investment in joint ventures - net	2,500,000	-

As at 31 December 2020 and 2019, financial information of the joint ventures is not significant to the Group.

17. Investments in subsidiaries

17.1 Detail of investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019 comprise the following:

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	%	%
Listed company				
Patum Rice Mill and Granary Public Company Limited	600,000	600,000	74.52	74.52
Non-listed companies				
Riverdale Golf and Country Club Company Limited	4,000,000	4,000,000	100.00	100.00
MBK Hotels and Resorts Company Limited	2,200,000	2,200,000	100.00	100.00
Glas Haus Ratchada Company Limited	270,875	1,083,500	100.00	100.00
MBK Business Company Limited	570,000	570,000	100.00	100.00
MBK Premium Company Limited	132,080	528,319	100.00	100.00
Supsinthanee Company Limited	505,325	505,325	100.00	100.00
MBK Asset Company Limited	75,000	300,000	100.00	100.00
Primacy Elegance Investments Limited	111	111	100.00	100.00
MBK Smart Force Security Guard Company Limited	1,000	1,000	99.97	99.97
MBK Center Company Limited	2,000	2,000	99.99	99.99

	Paid-up capital		Shareholding percentage both directly and indirectly owned	
	2020	2019	2020	2019
	Thousand Baht	Thousand Baht	%	%
Non-listed companies (continued)				
MBK Shopping Center Company Limited	1,000,000	1,000,000	100.00	100.00
MBK Square Company Limited	100,000	100,000	100.00	100.00
MBK Hotels & Tourism Company Limited	130,000	130,000	100.00	100.00
T Leasing Company Limited	3,500,000	3,500,000	100.00	100.00
X-Gen Premium Company Limited	90,000	90,000	100.00	100.00
Lanta Land Development Company Limited	340,000	340,000	100.00	100.00
MBK Training Center Company Limited	3,000	3,000	99.99	99.99
MBK Insurance Broker Company Limited	2,000	2,000	99.99	99.99
MBK Innovation Company Limited	4,000	4,000	99.99	99.99
MBK Charan Company Limited	550,000	550,000	100.00	100.00
MBK Service Solution Company Limited	150,000	150,000	100.00	100.00
MBK Real Estate Company Limited	1,000,000	1,000,000	100.00	100.00
MBK Enterprise Company Limited	3,000,000	3,000,000	100.00	100.00
MBK Contact Center Company Limited	5,000	5,000	99.99	99.99
MBK Online Company Limited	1,000	1,000	99.97	99.97
MBK Club Company Limited	5,000	5,000	99.99	99.99
MBK Food System Company Limited	720,000	720,000	99.99	99.99
Apple Auto Auction (Thailand) Company Limited	90,000	90,000	53.56	53.56
MBK Guarantee Company Limited	2,400,000	2,400,000	100.00	100.00
M G 1 Company Limited	550,000	550,000	100.00	100.00
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")*	355,000	-	100.00	-

* In 2019, the Company had the indirect holding through a subsidiary company

The details of investments in subsidiaries are presented in separate financial statements, are as follows:

	(Unit: Baht)			
	Cost		Dividend received for the years ended	
	2020	2019	2020	2019
Listed company				
Patum Rice Mill and Granary Public Company Limited	422,235,195	422,235,195	268,278,600	268,278,600
Non-listed companies				
Riverdale Golf and Country Club Company Limited	3,999,992,100	3,999,992,100	337,499,325	307,499,385
MBK Hotels and Resorts Company Limited	2,200,000,000	2,200,000,000	374,000,000	1,383,800,000
Glas Haus Ratchada Company Limited	250,000,000	1,000,015,000	81,804,250	60,025,900
MBK Business Company Limited	570,000,000	570,000,000	55,825,000	46,420,000
MBK Premium Company Limited	132,079,830	528,319,300	32,500,000	29,500,000
Supsinthanee Company Limited	500,005,325	500,005,325	-	11,500,000
MBK Asset Company Limited	75,000,000	300,000,000	18,000,000	16,800,000
Primacy Elegance Investments Limited	110,900	110,900	-	-
MBK Smart Force Security Guard Company Limited	1,344,939	1,344,939	3,200,000	3,500,000
MBK Center Company Limited	2,000,000	2,000,000	3,300,000	1,440,000
MBK Shopping Center Company Limited	1,000,000,000	1,000,000,000	43,750,000	280,000,000
MBK Square Company Limited	100,000,000	100,000,000	6,200,000	9,320,000
MBK Hotels & Tourism Company Limited	130,000,000	130,000,000	-	7,800,000
T Leasing Company Limited	3,533,000,000	3,533,000,000	-	-
X-Gen Premium Company Limited	90,000,000	90,000,000	-	-
Lanta Land Development Company Limited	420,101,235	420,101,235	-	-
MBK Training Center Company Limited	3,000,000	3,000,000	1,950,000	2,295,000
MBK Insurance Broker Company Limited	2,000,000	2,000,000	-	-
MBK Innovation Company Limited	4,000,000	4,000,000	100,000	100,000
MBK Charan Company Limited	550,000,000	550,000,000	-	-
MBK Service Solution Company Limited	150,000,000	150,000,000	10,875,000	6,000,000
MBK Real Estate Company Limited	1,000,000,000	1,000,000,000	-	-
MBK Enterprise Company Limited	2,920,800,000	2,920,800,000	-	-
MBK Contact Center Company Limited	5,000,000	5,000,000	-	-
MBK Online Company Limited	1,000,000	1,000,000	-	-
MBK Club Company Limited	5,000,000	5,000,000	-	-

(Unit: Baht)

	Cost		Dividend received for the years ended	
	2020	2019	2020	2019
Non-listed companies (continued)				
MBK Food System Company Limited	628,120,687	628,120,687	-	-
Apple Auto Auction (Thailand) Company Limited	52,717,647	52,717,647	20,244,000	-
MBK Guarantee Company Limited	2,504,800,000	1,600,000,000	-	-
M G 1 Company Limited	533,500,000	533,500,000	-	-
MBK Properties Company Limited (Formerly known as "T Consultant Company Limited")	350,010,000	-	-	-
Investments in subsidiaries	22,135,817,858	22,252,262,328	1,257,526,175	2,434,278,885
Less: Allowance for impairment of investments	(14,708,029)	(16,934,779)		
Investments in subsidiaries - net	22,121,109,829	22,235,327,549		

The movements on investments in subsidiaries in the separate financial statements during the years are as follows:

(Unit: Baht)

	Separate financial statements	
	Cost method	
	2020	2019
Book value at beginning of year	22,235,327,549	17,545,760,548
Increase in investments in subsidiaries	1,254,810,000	4,641,217,647
Subsidiaries' capital reduction	(1,371,254,470)	-
Classify to investment in subsidiary	-	45,000,000
Reversal impairment of investments	2,226,750	3,349,354
Book value at the end of year	22,121,109,829	22,235,327,549

17.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit/loss allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Listed company								
Patum Rice Mill and Granary Public Company Limited and its subsidiaries	25.48	25.48	81.99	122.73	2.16	(6.81)	(38.30)	4.97
Nonlisted companies								
MBK Resort Public Company Limited and its subsidiaries	27.01	27.40	267.70	293.54	(14.76)	2.46	(6.57)	(10.96)
MBK Realty Company Limited	31.00	31.00	(6.51)	(2.87)	(3.64)	(3.25)	-	-
Apple Auto Auction (Thailand) Company Limited	46.44	46.44	210.19	168.71	58.92	-	(17.56)	-

17.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Million Baht)

Company's name	Patum Rice Mill and Granary Public Company Limited and its subsidiaries		MBK Resort Public Company Limited and its subsidiaries		MBK Realty Company Limited		Apple Auto Auction (Thailand) Company Limited	
	2020	2019	2020	2019	2020	2019	2020	2019
Current assets	650.56	549.37	213.72	252.48	201.16	195.22	682.37	492.55
Non-current assets	6,901.10	11,191.83	1,077.41	1,073.17	74.39	71.72	78.96	52.92
Current liabilities	841.17	796.65	522.16	493.00	217.46	203.86	259.59	149.35
Non-current liabilities	1,085.67	1,928.82	46.04	32.06	1.74	1.49	49.14	32.82

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December								
Company's name	Patum Rice Mill and Granary		MBK Resort Public Company		MBK Realty		Apple Auto Auction (Thailand)	
	Public Company Limited and its subsidiaries		Limited and its subsidiaries		Company Limited		Company Limited	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	2,164.51	2,374.80	197.64	378.03	40.29	98.69	499.50	459.81
Profit (loss) for the year	402.98	351.58	(52.07)	9.06	(5.25)	(2.39)	126.86	103.50
Other comprehensive income	(3,426.22)	237.66	(1.58)	(2.54)	0.00	(0.08)	0.24	(0.95)
Total comprehensive income	(3,023.24)	589.24	(53.65)	6.52	(5.25)	(2.47)	127.10	102.55

Summarised information about cash flow

(Unit: Million Baht)

For the years ended 31 December								
Company's name	Patum Rice Mill and Granary				Apple Auto Auction (Thailand)			
	Public Company Limited and its subsidiaries		MBK Resort Public Company Limited and its subsidiaries		MBK Realty Company Limited		Company Limited	
	2020	2019	2020	2019	2020	2019	2020	2019
Cash flow from operating activities	115.21	318.34	(55.66)	86.95	(13.31)	(5.15)	145.94	117.24
Cash flow from investing activities	164.12	326.83	2.14	(41.80)	8.00	(0.24)	(122.00)	(72.63)
Cash flow from financing activities	(286.76)	(646.21)	51.81	(51.85)	(0.02)	3.31	-	-
Net increase (decrease) in cash and cash equivalents	(7.43)	(1.04)	(1.71)	(6.70)	(5.33)	(2.08)	23.94	44.61

18. Other long-term investments

Other long-term investments as at 31 December 2019 comprise the following:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2019	2019
Long-term investments - related companies	7,151,020,400	6,950,420,400
Investments in loans	28,289,736	28,289,736
Investments in other companies	11,776,386	3,288,986
Held-to-maturity investment	102,826	-
Total	7,191,189,348	6,981,999,122
Less: Allowance for impairment	(5,000,000)	-
Other long-term investments	7,186,189,348	6,981,999,122

18.1 Long-term investments - related companies

Long-term investments - related companies as at 31 December 2019 comprise the following:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2019	2019
Available-for-sale securities		
Equity securities	1,825,322,736	1,668,561,845
Add: Unrealised gains on changes in values of investments	5,325,697,664	5,281,858,555
Fair values	7,151,020,400	6,950,420,400
Long-term investments - related companies	7,151,020,400	6,950,420,400

The movement of long-term investments - related during the period are as follows:

	(Unit: Baht)	
	Consolidated financial statement	Separate financial statement
	2019	2019
Book value at beginning of year	6,643,441,400	6,463,241,400
Changes in fair values of available-for-sale securities	507,579,000	487,179,000
Book value at end of year	7,151,020,400	6,950,420,400

18.2 Held-to-maturity investment

Held-to-maturity investment as at 31 December 2019 comprise the following:

	(Unit: Baht)
	Consolidated financial statements
	2019
Held-to-maturity investment	
Government bond	100,000
Add: Surplus on investment	2,826
Amortised cost	102,826

19. Other non-current financial assets

Other non-current financial assets as at 31 December 2020 comprise the following:

	(Unit: Baht)	
	Consolidated	Separate
	financial statements	financial statement
	2020	2020
Derivative designated as hedging instruments		
at fair value through profit or loss		
Interest rate swap contract	73,228,568	73,228,568
Investments in debt securities at fair value through		
profit or loss		
Investment in related company	3,288,986	3,288,986
Investments in equity securities at fair value through		
other comprehensive income		
Investment in related company	4,599,346,800	4,482,046,800
Investments in other companies	19,600,712	-
Investments in debt securities at fair value through		
other comprehensive income		
Investments in loans	12,460,266	12,460,266
Investments in debt securities at amortised cost		
Held-to-maturity investment	102,825	-
Total other non-current financial assets	4,708,028,157	4,571,024,620

Equity instruments designated at FVOCI include listed equity investment which the Group considers this investment to be strategic in nature.

As at 31 December 2020, the Group has investment in related company, with recognised at fair value through other comprehensive income, with a total book value of Baht 1,825 million (the Company only: Baht 1,669 million).

20. Investment properties

The net book values of investment properties as at 31 December 2020 and 2019 are presented below:

(Unit: Baht)

Consolidated financial statements					
	Land and land improvement, building and building improvement, and building				
	Land awaiting sales	improvement, for rent	Building and right-of-use assets, for rent	Construction in progress	Total
As at 31 December 2020					
Cost	525,714,112	1,682,520,089	21,179,515,859	205,276,336	23,593,026,396
Less: Accumulated depreciation	-	(462,894,598)	(9,216,049,985)	-	(9,678,944,583)
Net book value	525,714,112	1,219,625,491	11,963,465,874	205,276,336	13,914,081,813
As at 31 December 2019					
Cost	505,607,042	1,636,005,434	14,941,035,212	139,155,789	17,221,803,477
Less: Accumulated depreciation	-	(410,919,076)	(8,536,959,358)	-	(8,947,878,434)
Less: Allowance for impairment	-	-	(34,774,436)	-	(34,744,436)
Net book value	505,607,042	1,225,086,358	6,369,301,418	139,155,789	8,239,150,607

(Unit: Baht)

Separate financial statements					
	Land and land improvement, building and building improvement, and building				
	Land awaiting sales	improvement, for rent	Building and right-of-use assets, for rent	Construction in progress	Total
As at 31 December 2020					
Cost	476,000	-	15,648,922,364	19,863,633	15,669,261,997
Less: Accumulated depreciation	-	-	(5,533,807,212)	-	(5,533,807,212)
Net book value	476,000	-	10,115,115,152	19,863,633	10,135,454,785
As at 31 December 2019					
Cost	476,000	-	9,265,086,401	59,910,535	9,325,472,936
Less: Accumulated depreciation	-	-	(4,714,852,937)	-	(4,714,852,937)
Net book value	476,000	-	4,550,233,464	59,910,535	4,610,619,999

Reconciliations of net book values of investment properties for the years ended 31 December 2020 and 2019 are presented below:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	8,239,150,607	8,735,230,009	4,610,619,999	4,907,130,728
Adjustments of fair value due to				
TFRS 16 adoption (Note 4)	6,655,205,358	-	6,345,862,089	-
Acquisition of assets	252,400,057	168,401,725	50,140,438	86,474,982
Disposals - net book value	(46,852,574)	(1,988,580)	(671,445)	(1,857,614)
Reclassification	27,318,983	73,921,462	(17,746,724)	(8,665,334)
Lease modification increase				
(decrease)	-	-	-	-
Depreciation for the year	(996,910,495)	(736,414,009)	(601,745,013)	(372,462,763)
Reversal Allowance for impairment	34,774,436	-	-	-
Discount on rental	(251,004,559)	-	(251,004,559)	-
Net book value at end of year	<u>13,914,081,813</u>	<u>8,239,150,607</u>	<u>10,135,454,785</u>	<u>4,610,619,999</u>

The fair values of the investment properties, including leasehold rights as at 31 December 2020 and 2019 are stated below:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Land awaiting sales	965,805,383	1,085,544,383	1,450,000	923,000
Land and land improvement, building and building improvement, for rent	2,654,505,478	4,302,732,999	-	-
Building and right-of-use assets, for rent	17,544,912,399	7,302,415,475	15,899,381,315	7,302,415,475
Total	<u>21,165,223,260</u>	<u>12,690,692,857</u>	<u>15,900,831,315</u>	<u>7,303,338,475</u>

The fair values of the above investment properties have been determined based on valuation performed by an independent valuer. The fair value of the land awaiting sales have mainly been determined based on market approach, while that of the land and land improvement, building and building improvement and right-of-use assets, for rent, has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in rental rates.

21. Land held for development

Land held for development as at 31 December 2020 and 2019 comprises land of the following companies.

(Unit: Baht)

	Consolidated financial statements	
	2020	2019
Riverdale Golf and Country Club Company Limited	593,684,153	350,927,852
MBK Resort Public Company Limited	158,909,903	156,878,204
Plan Estate Company Limited	79,147,298	78,998,353
MBK Realty Company Limited	53,919,394	53,919,394
M G 6 Company Limited	242,191,032	-
MBK Charan Company Limited	538,567,920	-
	<u>1,666,419,700</u>	<u>640,723,803</u>

22. Property, plant and equipment

Property, plant and equipment comprise the following:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value:				
Property, plant and equipment	4,664,615,089	5,160,050,318	522,277,568	845,214,495
Right-of-use assets (Note 32.1 a)	1,261,614,929	-	1,106,215,488	-
Total	<u>5,926,230,018</u>	<u>5,160,050,318</u>	<u>1,628,493,056</u>	<u>845,214,495</u>

Movements of property, plant and equipment for the years ended 31 December 2020 and 2019 are summarised below.

	Consolidated financial statements						(Unit: Baht)
	Land and land improvement	Buildings and building improvements	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	
Cost							Total
1 January 2019	3,487,961,860	3,766,939,759	657,691,681	1,081,176,887	1,987,396,223	152,536,430	11,268,649,692
Acquisitions	3,052,838	14,981,431	-	45,544,617	88,981,217	6,043,711	441,831,397
Acquisitions of subsidiaries	1,980,271	21,229,245	-	3,501,618	6,204,500	1,531,748	34,447,382
Disposals	-	(4,173,877)	-	(63,764,974)	(54,788,388)	(8,507,608)	(133,896,288)
Transfers	67,334,422	33,656,198	-	29,133,897	122,834,453	-	-
Reclassification	-	(100,451,137)	-	32,634,429	1,137,208	(33,405,757)	(115,402,818)
31 December 2019	3,560,329,391	3,732,181,619	657,691,681	1,128,226,474	2,151,765,213	118,198,524	11,495,629,365
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	-	(657,691,681)	-	-	(7,350,429)	(665,042,110)
Acquisitions	6,218,066	11,500,674	-	27,208,883	80,867,458	4,676,560	362,301,599
Disposals	(39,600)	(21,623,350)	-	(25,714,726)	(244,117,835)	(12,105,950)	(303,999,461)
Transfers	21,044,174	43,403,591	-	5,156,416	120,206,983	-	-
Reclassification	2,512,832	1,174,757	-	18,300,750	(1,546,625)	(103,886)	11,758,021
31 December 2020	3,590,064,863	3,766,637,291	-	1,153,177,797	2,107,175,194	103,314,819	10,900,647,414

(Unit: Baht)

	Consolidated financial statements						Total
	Land and land improvement	Buildings and building improvements	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	
Accumulated depreciation							
1 January 2019	718,208,062	2,518,319,180	187,168,091	770,794,774	1,632,008,909	87,044,337	5,913,543,353
Depreciation for the year	57,786,574	111,126,234	32,884,584	94,011,621	120,256,143	13,658,277	429,723,433
Depreciation - transfer to property development	-	616,314	-	285,386	-	-	901,700
Accumulated depreciation on disposals							
Reclassification	-	(3,781,282)	-	(55,753,720)	(50,147,440)	(6,391,166)	(116,073,608)
31 December 2019	775,994,636	2,599,352,479	220,052,675	815,916,937	1,698,935,400	83,741,367	6,193,993,494
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)							
Depreciation for the year	44,895,432	122,752,018	-	92,588,142	132,384,140	12,709,079	405,328,811
Accumulated depreciation on disposals							
Reclassification	(39,534)	(19,917,865)	-	(24,215,602)	(235,964,963)	(10,377,303)	(290,515,267)
31 December 2020	821,102,368	2,716,145,613	-	884,513,276	1,593,643,050	81,791,835	6,097,196,142

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(Unit: Baht)

Separate financial statements							
	Building	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Cost							
1 January 2019	1,042,731,187	657,691,681	446,218,783	1,135,283,108	39,414,047	7,298,381	3,328,637,187
Acquisitions	-	-	9,218,212	50,639,371	1,376,159	112,021,197	173,254,939
Disposals	-	-	(25,556,922)	(30,839,015)	(2,417,000)	-	(58,812,937)
Transfers	-	-	-	109,245,945	-	(109,245,945)	-
Reclassification	-	-	7,364,418	1,102,325	-	-	8,466,743
31 December 2019	1,042,731,187	657,691,681	437,244,491	1,265,431,734	38,373,206	10,073,633	3,451,545,932
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	(657,691,681)	-	-	(36,498,780)	-	(694,190,461)
Acquisitions	-	-	11,078,118	51,773,110	480,000	158,547,148	221,878,376
Disposals	-	-	(3,083,400)	(171,610,451)	-	-	(174,693,851)
Transfers	-	-	2,690,120	93,782,588	-	(96,472,708)	-
Reclassification	-	-	16,740,768	(680,073)	-	2,764,205	18,824,900
31 December 2020	1,042,731,187	-	464,670,097	1,238,696,908	2,354,426	74,912,278	2,823,364,896

(Unit: Baht)

Separate financial statements

	Building	Assets under financial lease	Machinery and equipment	Furniture, fixture and office equipment	Motor vehicles	Construction in progress	Total
Accumulated depreciation							
1 January 2019	1,042,731,184	187,168,091	277,897,149	994,720,936	21,677,771	-	2,524,195,131
Depreciation for the year	-	32,884,584	44,334,008	55,285,265	5,922,716	-	138,426,573
Accumulated depreciation - disposal	-	-	(23,446,051)	(30,302,141)	(2,417,000)	-	(56,165,192)
Reclassification	-	-	(400,847)	275,772	-	-	(125,075)
31 December 2019	1,042,731,184	220,052,675	298,384,259	1,019,979,832	25,183,487	-	2,606,331,437
Adjustments of right-of-use assets due to TFRS 16 adoption (Note 4)	-	(220,052,675)	-	-	(23,668,062)	-	(243,720,737)
Depreciation for the year	-	-	45,071,321	64,765,709	526	-	109,837,556
Accumulated depreciation - disposal	-	-	(2,925,075)	(168,989,190)	-	-	(171,914,265)
Reclassification	-	-	552,412	925	-	-	553,337
31 December 2020	1,042,731,184	-	341,082,917	915,757,276	1,515,951	-	2,301,087,328
Net book value							
31 December 2019	3	437,639,006	138,860,232	245,451,902	13,189,719	10,073,633	845,214,495
31 December 2020	3	-	123,587,180	322,939,632	838,475	74,912,278	522,277,568
Depreciation for the year							
2019 (Baht 109 million included in costs of service and rental, and the remaining balance included in administrative expense)							138,426,573
2020 (Baht 83 million included in costs of service and rental, and the remaining balance included in administrative expense)							109,837,556

As at 31 December 2020 and 2019, certain building and equipment items have been fully depreciated, but these items are still in uses, the amounts would be as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Original cost before accumulated depreciation of building and equipment	3,854,396,954	3,842,711,242	1,974,365,253	2,048,010,727

23. Goodwill

Goodwill as at 31 December 2020 and 2019 comprise goodwill on business combination in the following associate and subsidiary:

	(Unit: Baht)	
	Consolidated financial statements	
	2020	2019
Siam Piwat Company Limited	64,579,128	64,579,128
Crystal Lake Properties Company Limited	7,214,050	7,214,050
Total	71,793,178	71,793,178

Goodwill represents the excess of the cost of investment over the fair value of assets acquired and liabilities assumed at acquisition date. The Group has tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

24. Intangible assets

Net book value of intangible assets which are computer software as at 31 December 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost	348,900,715	269,419,984	253,314,130	195,997,008
Less: Accumulated amortisation	(216,284,850)	(172,483,585)	(147,909,188)	(123,179,617)
Less: Allowance for impairment	(41,352)	(95,009)	-	-
Net book value	132,574,513	96,841,390	105,404,942	72,817,391

Reconciliations of the net book values of intangible assets for the years ended 31 December 2020 and 2019 is presented below:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	96,841,390	88,867,669	72,817,391	69,406,897
Acquisitions of computer software	61,912,210	26,198,378	57,842,884	23,844,300
Acquisitions of subsidiaries	-	6,651,217	-	-
Reclassification	5,980,856	1,678,950	(524,838)	73,516
Amortisation	(32,108,829)	(25,636,217)	(24,730,495)	(20,507,322)
Write-off - net book value	(104,771)	(942,001)	-	-
Impairment during the year (reversal)	53,657	23,394	-	-
Net book value at end of year	132,574,513	96,841,390	105,404,942	72,817,391

25. Property foreclosed

	(Unit: Baht)		
	Consolidated financial statements		
	Land	Buildings	Total
Cost			
As at 1 January 2019	66,912,575	61,137,975	128,050,550
Increases	-	7,809,215	7,809,215
Disposals	(23,772,017)	(1,351,484)	(25,123,501)
As at 31 December 2019	43,140,558	67,595,706	110,736,264
Increases	75,174,433	163,963,843	239,138,276
Disposals	(23,977,164)	(35,000,123)	(58,977,287)
As at 31 December 2020	94,337,827	196,559,426	290,897,253
Allowance for impairment			
As at 1 January 2019	5,700,000	8,474,065	14,174,065
Increases	-	224,825	224,825
As at 31 December 2019	5,700,000	8,698,890	14,398,890
Disposals	(5,700,000)	(4,911,313)	(10,611,313)
As at 31 December 2020	-	3,787,577	3,787,577
Net book value			
As at 31 December 2019	37,440,558	58,896,816	96,337,374
As at 31 December 2020	94,337,827	192,771,849	287,109,676

26. Other non-current assets

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deposit	14,595,036	15,673,401	-	-
Withholding tax deducted at source	109,459,687	-	-	-
Value added tax refundable	72,293,701	-	-	-
Others	158,341,870	209,586	74,896	74,896
Other non-current assets	354,690,294	15,882,987	74,896	74,896

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

(Unit: Baht)

	Interest rate per annum	Consolidated financial statements	
		2020	2019
Bank overdrafts	5.85 (2019: 6.75)	3,111	1,605
Short-term loans from financial institutions	1.08-1.19 (2019: 1.68 - 1.82)	768,000,000	687,000,000
Bank overdrafts and short-term loans from financial institutions		<u>768,003,111</u>	<u>687,001,605</u>

Bank overdrafts and short-term loans from financial institutions of a subsidiary are secured by the pledge of inventories and treasury stock held by a subsidiary as described in Notes 13 and 37, respectively.

28. Trade and other payables

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade payables - related parties	79,018,405	71,741,219	38,775,302	61,251,181
Trade payables - unrelated parties	273,040,670	231,925,818	67,176,622	47,210,128
Accrued interest expenses - related parties	-	-	41,563,202	30,267,780
Accrued interest expenses - unrelated parties	173,583,768	167,427,123	171,759,069	167,317,534
Other payables - related parties	10,000	-	-	-
Other payables - unrelated parties	104,270,487	164,741,980	-	16,160,611
Retention payables	78,552,825	100,877,476	15,117,273	30,511,015
Accrued Land Rental	-	283,927,800	-	283,927,800
Accrued expenses	371,134,097	563,071,433	57,637,686	140,922,454
Total trade and other payables	1,079,610,252	1,583,712,849	392,029,154	777,568,503

29. Long term loans from financial institutions

(Unit: Baht)

Loan	Credit facilities (Million Baht)	Interest rate (% p.a.)	Repayment schedule	Consolidated financial statements	
				2020	2019
1	500	MLR - 2.00	Annually installments of principal and monthly payment of interest, with principal payments Installment 1 - 3 at rate 10% of principal which have been drawdown Installment 4 for the rest of principal The first payment in 1 year after the first drawdown date and mature within 3 years and 6 months from the contract date (final installment within 2023)	500,000,000	200,000,000
2	100	MLR - 2.05	Monthly installments of principal and monthly payment of interest, with principal payments of Baht 2.78 million per month. The first payment in 1 month after the first drawdown date and mature within 3 years (final installment within 2023)	86,111,111	-

				(Unit: Baht)	
				Consolidated financial statements	
Loan	Credit facilities (Million Baht)	Interest rate (% p.a.)	Repayment schedule	2020	2019
3	2,000	MLR - 2.00	Quarterly installments of principal and monthly payment of interest, with principal payments Installment 1 - 11 of Baht 50 million Installment 12 of Baht 1,450 million The first payment in the last day of the first drawdown month and mature within 3 years (final installment within 2023)	1,800,000,000	-
Total				2,386,111,111	200,000,000
Less: Current portion				(283,333,333)	(20,000,000)
Long-term loans - net of current portion				2,102,777,778	180,000,000

Movements in the long-term loans from financial institutions during the year ended 31 December 2020 are summarised below:

	Consolidated financial statement
Opening balance as at 1 January 2020	200,000,000
Addition	2,400,000,000
Repayment	(213,888,889)
Ending balance as at 31 December 2020	2,386,111,111

The loans are unsecured loans in Thai Baht. Under the terms and conditions of loans, the subsidiaries have to comply with certain restrictions, such as maintaining debt to equity at certain ratio.

30. Other current liabilities

Other current liabilities as at 31 December 2020 and 2019 comprise the following:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred income	42,827,795	56,313,165	-	-
Current portion of rental installment	-	-	-	6,112,815
Deposit - property development project	208,815,748	186,949,056	-	-
Deposit	39,789,353	13,919,578	7,206,335	7,959,644
Unearned property tax	198,038,391	144,158,237	87,476,700	82,316,614
Unearned output tax	27,499,629	20,695,708	6,521,712	2,644,678
Unearned interest	150,386,777	105,984,079	-	-
Accrued dividend	2,120,772	5,849,294	1,839,931	5,849,294
Others	59,715,011	69,444,029	8,674,192	18,152,972
Total other current liabilities	729,193,476	603,313,146	111,718,870	123,036,017

31. Long-term debentures

(Unit: Baht)

Type of debentures	Interest rate (per annum)	Period	Due date	Consolidated/Separate financial statements	
				2020	2019
Unsubordinated and unsecured debentures					
- 1/2012	4.93%	10 years	24 July 2022	500,000,000	500,000,000
- 2/2012	4.70%	10 years	7 September 2022	400,000,000	400,000,000
- 3/2012	4.72%	10 years	20 September 2022	1,000,000,000	1,000,000,000
- 4/2012	5.10%	15 years	7 November 2027	1,500,000,000	1,500,000,000
- 1/2013	4.75%	7 years	17 July 2020	-	1,700,000,000
- 2/2013	4.75%	7 years	25 July 2020	-	300,000,000
- 1/2016	3.125%	7 years and 19 days	17 March 2023	1,000,000,000	1,000,000,000
- 2/2016	3.57%	10 years	26 February 2026	1,000,000,000	1,000,000,000
- 1/2017	3.78%	10 years	20 July 2027	1,000,000,000	1,000,000,000
- 1/2018	3.50%	10 years	25 April 2028	1,000,000,000	1,000,000,000
- 2/2018	3.90%	15 years	25 May 2033	1,000,000,000	1,000,000,000
- 3/2018	2.68%	2 years and 2 days	29 December 2020	-	2,000,000,000
- 1/2019	3.875%	10 years	24 May 2029	1,500,000,000	1,500,000,000
- 2/2019	3.24%	10 years	15 August 2029	2,000,000,000	2,000,000,000
- 1/2020	2.94%	9 years	6 January 2029	3,000,000,000	
- 2/2020	2.80%	10 years	26 March 2030	500,000,000	-
- 3/2020	1.96%	3 years and 2 days	11 April 2023	300,000,000	-
Total				15,700,000,000	15,900,000,000
Less: Fee on debenture issuance				(10,965,662)	(10,057,789)
Add: Recognised fair value of debentures (only the interest portion applying hedge accounting)				73,228,568	-
Long-term debentures - net				15,762,262,906	15,889,942,211
Less: Current portion				-	(3,998,824,285)
Long-term debentures - net of current portion				15,762,262,906	11,891,117,926

Movement of the long-term debentures for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)
	Consolidated/ Separate financial statement
Net book value as at 1 January 2020	15,889,942
Adjustments of fair value due to TFRS 9 adoption (Note 4)	72,537
Debentures issued during the period	3,800,000
Fair value of the interest portion applying hedge accounting	691
Repayment during the period	(4,000,000)
Addition of fee on issued debentures	(4,027)
Amortisation of fee on issued debentures	3,120
Net book value as at 31 December 2020	15,762,263

The Company entered into interest rate swap agreement with financial institution on part of interest of debentures no. 4/2012. This is to hedge the fair value of part of interest portion of debentures, which the Group elected to apply hedge accounting for this transaction as described in Note 51.1.

On 16 June 2020, the Executive Committee Meeting No. 6/2020 of the Company passed a resolution to approve a partial redemption of the debenture No. 3/2018 of Baht 1,399 million. During the second quarter of the current year, the Company redeemed Baht 1,406 million of such debenture and recognised the difference amount between the offering price and the redemption price as administrative expense in the statement of comprehensive income.

On 24 July 2020, the Executive Committee Meeting No. 7/2020 of the Company passed a resolution to approve a partial redemption of the debenture No. 3/2018 of Baht 383 million. During the third quarter of the current year, the Company redeemed Baht 386 million of such debenture and recognised the difference amount between the offering price and the redemption price as administrative expense in the statement of comprehensive income .

32. Leases

32.1 The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 1 - 17 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Baht)

	Consolidated financial statements			
	Land	Buildings	Motor vehicles	Total
1 January 2020	926,862,409	437,639,006	3,008,803	1,367,510,218
Additions	14,834,447	13,591,632	8,159,521	36,585,600
Depreciation for the year	(83,853,788)	(23,746,906)	(1,524,125)	(109,124,819)
Discount on rental	(19,654,160)	(13,701,910)	-	(33,356,070)
31 December 2020	838,188,908	413,781,822	9,644,199	1,261,614,929

(Unit: Baht)

	Separate financial statements			
	Land	Buildings	Motor vehicles	Total
1 January 2020	744,486,613	437,639,006	12,830,718	1,194,956,337
Additions	-	-	7,068,992	7,068,992
Disposal	-	-	(421,778)	(421,778)
Depreciation for the year	(36,182,332)	(19,182,674)	(6,666,987)	(62,031,993)
Discount on rental	(19,654,160)	(13,701,910)	-	(33,356,070)
31 December 2020	688,650,121	404,754,422	12,810,945	1,106,215,488

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment properties as described in Note 20.

b) Lease liabilities

The agreement granting the right to utilise the shopping center at the Pathumwan intersection

On 21 April 1983, the Company entered into agreements with Chulalongkorn University ("the University") to lease and develop land at the Pathumwan intersection for a period of 30 years, expiring on 21 April 2013. At the end of the agreements, the Company agreed to transfer all rights in property development constructed on the land under the lease agreements to the University.

On 16 October 2007, the Company and the University signed lease agreements granting the right to utilise the shopping center at Pathumwan intersection for a period of 20 years (from 22 April 2013 to 21 April 2033), under which the Company is required to pay annual rental as stipulated in the lease agreements. In addition, the Company paid Baht 2,519 million for the first right of refusal to enter into agreements with the University, and on 15 July 2009, the Company paid Baht 279 million for the registration of leasehold rights - land and building with the Department of Lands. These prepaid amounts of Baht 2,798 million are recorded as cost of land and building rental as at the effective date of the lease agreement.

On 22 April 2013, the effective date of the new lease agreement, the Company considered the materiality of the terms and conditions of the lease agreement, in accordance with TAS 17 - Leases, and concluded that the Company should separate the land and building elements based on the income approach and the market rental rate for the land as determined by an independent appraiser. The land rental element is classified as an operating lease, for which the rental payments are recognised as an expense on a straight-line basis over the lease period. Meanwhile, the building rental element is classified as assets under financial lease at the present value of the lease payments. It is then depreciated over the lease period. The assets under financial lease are presented in investment properties (Note 20), and property, plant and equipment (Note 22). In addition, the outstanding rental obligations, net of deferred interest expense, presented as liabilities under finance lease agreements and the deferred interest expense is amortised over the lease period.

On 1 January 2020, The Company has adopted TFRS 16, recognising lease liability for the portion of land lease at the present value of the remaining lease payments, discounted by the incremental borrowing rate of the Company.

Under the terms and conditions of the lease agreements, the Company has to comply with certain conditions and restrictions relating to matters such as renovation of the building and related infrastructure under a budget and within a timeframe set forth in the lease agreement, the arrangement of insurance coverage for the assets, the repair and maintenance of the assets in good condition, and the pledge of a bank guarantee of Baht 112 million in respect of certain performance bonds. In addition, if the total revenue of the Company every 5 years is higher than the estimated revenue as defined in the lease agreement, the Company is required to pay revenue sharing at the rate 5% of the excess estimated revenue within 90 days after the end of the accounting period of every fifth year.

	(Unit: Baht)	
	Consolidated/Separate financial statements	
	2020	2019
Liabilities under finance lease agreements	16,457,512,000	7,197,375,340
Less: Deferred interest expenses	(4,672,078,035)	(2,328,599,738)
Total	11,785,433,965	4,868,775,602
Less: Current portion	(200,811,999)	(104,865,891)
Liabilities under finance lease agreements - net of current portion	11,584,621,966	4,763,909,711

The Group has entered into the lease agreements for rental of land and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly and annually basis. The terms of the agreements are generally between 3 and 28 years.

Other lease liabilities as at 31 December 2020 comprise the following:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
Liabilities under lease agreements	544,212,020	14,674,443
Less: Deferred interest expenses	(167,170,365)	(1,121,101)
Total	377,041,655	13,553,342
Less: Current portion	(57,350,394)	(5,607,115)
Liabilities under lease agreements - net of current portion	319,691,261	7,946,227

A maturity analysis of lease payments is disclosed in Note 51.2 under the liquidity risk.

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

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	938,297	851,630
Interest expense on lease liabilities	420,825	402,662
Expense relating to short-term leases	18,592	110
Expense relating to leases of low-value assets	18,338	1,437
Expense relating to variable lease payments	-	-

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 421 million, including the cash outflow related to short-term lease, 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 37 million.

32.2 Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of land, building and space in the building (see Note 20). The lease terms are between 1 and 13 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Within 1 year	1,489,650	876,662
Over 1 and up to 5 years	1,380,764	697,069
Over 5 years	283,231	308,899
Total	3,153,645	1,882,630

33. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire, was as follows:

			(Unit: Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	314,339,989	220,650,892	130,233,791	97,514,060
Included in profit or loss:				
Current service cost	29,677,974	27,896,641	7,535,417	8,648,345
Interest cost	7,178,315	6,716,566	2,707,433	2,880,530
Past service cost	-	54,643,054	-	26,747,235
Past service cost from curtailment	(3,392,557)	-	-	-
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	(19,095,795)	42,912,445	(19,008,677)	23,972,787
Experience adjustments	6,359,529	-	2,192,978	-
Transfer employee from business acquisition	-	8,013,351	-	-
Benefits paid during the year	(10,790,781)	(46,492,960)	(4,455,134)	(29,529,166)
Provision for long-term employee benefits at end of year	<u>324,276,674</u>	<u>314,339,989</u>	<u>119,205,808</u>	<u>130,233,791</u>

The Group expects to pay Baht 18.71 million of long-term employee benefits during the next year (the Company only: Baht 4.62 million). (2019: Baht 12.87 million, the Company only: Baht 4.75 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 14 years (the Company only: 14 years). (2019: 13 years, the Company only: 12 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	0.41 - 2.99	1.19 - 3.90	0.45 - 2.99	2.43
Future salary increase rate	4.5 - 5.5	6	5.5	6
Staff turnover rate (depending on employee's age)				
Age of employee				
Age < 30 years:	20 - 40	20 - 40	25	25
30 ≤ Age < 40 years:	10 - 20	10 - 20	17	17
40 ≤ Age < 55 years:	5 - 10	5 - 10	8	8
Age > 55 years:	0	0	0	0

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 and 2019 are summarised below:

	Consolidated financial statements			
	31 December 2020			
	Sensitivity analysis	Employee benefit	Sensitivity analysis	Employee benefit
	increase	increase (decrease)	decrease	increase (decrease)
	(% per annum)	(Unit: Million Baht)	(% per annum)	(Unit: Million Baht)
Discount rate	1	(25.49)	1	28.57
Salary increase rate	1	28.30	1	(24.89)
Staff turnover rate	20	(25.92)	20	32.34

Consolidated financial statements

31 December 2019

	Sensitivity analysis		Employee benefit	
	increase		increase	
	(% per annum)	(Unit: Million Baht)	(decrease)	(Unit: Million Baht)
Discount rate	1	(22.97)	1	26.54
Salary increase rate	1	28.15	1	(24.77)
Staff turnover rate	20	(27.16)	20	34.23

Separate financial statements

31 December 2020

	Sensitivity analysis		Employee benefit	
	increase		increase	
	(% per annum)	(Unit: Million Baht)	(decrease)	(Unit: Million Baht)
Discount rate	1	(5.96)	1	6.72
Salary increase rate	1	6.59	1	(5.80)
Staff turnover rate	20	(6.25)	20	7.87

Separate financial statements

31 December 2019

	Sensitivity analysis		Employee benefit	
	increase		increase	
	(% per annum)	(Unit: Million Baht)	(decrease)	(Unit: Million Baht)
Discount rate	1	(6.31)	1	7.26
Salary increase rate	1	7.71	1	(6.81)
Staff turnover rate	20	(7.12)	20	8.94

34. Other non-current liabilities

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Refundable employee security	2,689,640	3,978,420	2,689,640	3,978,420
Deposit	68,000	6,877,006	-	6,816,006
Others	22,501,569	12,359,577	-	7,745,132
Other non-current liabilities	25,259,209	23,215,003	2,689,640	18,539,558

35. Share capital

On 5 August 2020, the Annual General Meeting of Shareholders for the year 2020 of the Company passed a resolution to increase its registered capital by General Mandate method from Baht 1,695 million to Baht 2,195 million, through the issuance of 500 million ordinary shares with per value Baht 1 per share, and also approved the offering in proportion of its existing shareholders. The Company registered capital increase with the Ministry of Commerce on 24 August 2020.

On 18 November 2020, the Extraordinary General Meeting of shareholders No.1/2020 of the Company passed a resolution to approve the following:

- decrease its registered capital from Baht 2,195 million to Baht 1,695 million, by cancelling 500 million of registered shares capital by General Mandate method with par value Baht 1 per share
- increase its registered capital to support the reserve for the issuance of warrants (MBK-W1) from Baht 1,695 million to Baht 1,763 million, through the issuance of not exceeding of Baht 68 million ordinary shares with par value Baht 1 per share, and also approved the offering in proportion of its existing shareholders. The Company registered capital increase with the Ministry of Commerce on 1 December 2020.
- increase its registered capital by General Mandate method from Baht 1,763 million to Baht 2,263 million, through the issuance of 500 million ordinary shares with per value Baht 1 per share, and also approved the offering in proportion of its existing shareholders. The Company registered capital increase with the Ministry of Commerce on 2 December 2020.

36. 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 income 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.

During the year 2020, the Company has set aside statutory reserve at Baht 26 million (2019: Nil).

37. Treasury stock

	(Unit: Baht)	
	Consolidated financial statements	
	2020	2019
Treasury stocks held by subsidiaries	711,993,784	711,993,784
	<u>711,993,784</u>	<u>711,993,784</u>

Treasury stocks held by subsidiaries

Treasury stocks represented the Company's shares held by subsidiaries totaling 499 million shares with a par value of Baht 1 each which have been presented in the consolidated financial statements by applying the cost method, apportioned accounting to holding of the Group.

As at 31 December 2020, a subsidiary has pledged and entered into a negative pledge agreement on the treasury stock of 217 million shares with a par value of Baht 1 each (2019: 217 million shares with a par value of Baht 1 each), with book value (cost method) amounting to Baht 416 million (2019: Baht 416 million) to secure bank overdraft and short-term loan facilities from banks, as discussed in Note 27.

38. Equity attributable to the Company's shareholders

According to the accounting treatment guidance for the treasury stock of the entity, the main content of presentations and the disclosures is concluded that the treasury stock is not an asset but the reduction of the obligations over the entity's assets. The entity should present the treasury stock as a deducting item from the shareholders' equity. In case a subsidiary acquires its parent company's stocks, the parent company should present such share acquisition on the same basis as if it purchases its own shares.

However, as if the above interpretation of such guidance is required for the separate financial statements, the reconciliation of shareholders' equity and the investments in subsidiaries is presented as follows:

	(Unit: Baht)	
	Separate financial statements	
	2020	2019
Total shareholders' equity - as stated in statements of financial position	16,961,885,138	19,649,758,454
Less: Treasury stock held by subsidiaries	(711,993,784)	(711,993,784)
Equity attributable to the Company's shareholders - after less treasury stock held by subsidiaries	<u>16,249,891,354</u>	<u>18,937,764,670</u>
	(Unit: Baht)	
	Separate financial statements	
	2020	2019
Investments in subsidiaries - as stated in statements of financial position	22,121,109,829	22,235,327,549
Less: Treasury stock held by subsidiaries	(711,993,784)	(711,993,784)
Investments in subsidiaries	<u>21,409,116,045</u>	<u>21,523,333,765</u>

39. Warrants

The Company issued warrants to subscribe for ordinary shares to existing shareholders of the Company, which have been approved by shareholders' meeting. The Company does not recognise warrant compensation costs for the fair value or intrinsic value of the warrant granted in the financial statements.

Allocated to	Allocated date	Determined exercising date		Outstanding warrant	Warrant	Increase during the year	As at				
		First exercise	Last exercise				31 December 2019	Decrease during the year	31 December 2020	As at	
				Million unit	Million unit	Exercise	Per 1 warrant	Share	Baht	Baht million	Million unit
Existing-shareholder (MBK-W1)	23 November 2020	15 January 2021	15 November 2022	-	67.79	-	1:1	-	3	-	67.79
Total issuance by the Company				-	67.79	-	-	-	-	-	67.79

On 18 November 2020, the Extraordinary General Meeting of shareholders No.1/2020 of the Company passed a resolution to approve an issuance and allotment of warrant No. 1 (MBK-W1) with free of charge by specified holders to its existing shareholders totaling 67,792,116 units. 1 unit of warrant is exercisable to purchase 1 ordinary share at Baht 3 each, within 2 years 11 months 24 days starting from 23 November 2020. Its first exercise is on 15 January 2021 and able to exercise on the date 15 of each month throughout the term of the warrants.

40. Revenue from contracts with customers

Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totaling Baht 730 million (2019: Baht 1,157 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The Group expects to satisfy these performance obligations within 2021.

41. Interest revenue from financial business

Interest revenue from financial business for the years ended 31 December 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Loans to customers	871,535,316	716,973,107	2,639,197	4,546,463
Hire purchase and financial lease	1,613,995,651	1,548,734,700	-	-
Total revenue from financial business	<u>2,485,530,967</u>	<u>2,265,707,807</u>	<u>2,639,197</u>	<u>4,546,463</u>

42. Financial costs

Financial costs of the Group for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses	709,859,580	559,067,649	1,005,387,821	947,825,565
Finance costs from lease liabilities	420,825,192	281,867,074	402,661,888	281,867,074
Other finance costs	3,996,390	2,558,900	3,135,108	2,558,900
Total financial costs	<u>1,134,681,162</u>	<u>843,493,623</u>	<u>1,411,184,817</u>	<u>1,232,251,539</u>

43. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate 3 - 10% of basic salary. The fund, which is managed by Thanachart Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 December 2020, the Group contributed Baht 66 million (2019: Baht 66 million) to the fund.

44. Expenses by nature

Significant expenses by nature for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of sales of properties	334,200,811	151,174,499	-	-
Salaries and wages and other employee benefits	1,664,710,986	2,039,658,035	516,447,629	683,607,434
Depreciation	1,511,364,124	1,166,137,442	773,614,558	510,889,336
Amortisation	32,108,829	25,636,217	24,730,495	20,507,322
Allowance for impairment of investments in subsidiaries (reversal)	-	-	(2,226,750)	(3,349,354)
Allowance for impairment of property foreclosed (reversal)	(10,611,313)	224,825	-	-
Allowance for impairment of property, plant and equipment (reversal)	(2,749,370)	(296,958)	-	-
Gains on foreign exchange	(33,093,122)	(23,534,639)	-	-
Transportation expenses	100,189,809	43,829,176	-	-
Commission and promotion expenses	178,360,444	166,830,556	23,013,419	45,964,981
Power supply expenses	303,010,148	365,202,549	48,851,714	52,706,887
Rental expenses	39,775,635	809,813,283	-	756,914,544
Repair and maintenance operating expenses	138,468,221	129,300,692	70,774,078	53,112,600
Raw materials and consumables used	1,056,796,979	1,029,109,197	-	-
Changes in inventories of finished goods and work in progress	5,660,886	15,955,212	-	-

45. Income tax expenses

Corporate income taxes of the Company and its subsidiaries have been calculated on income before income tax after adding back provisions and certain expenses which are disallowed for tax computation purposes, deducting dividends exempted from income tax and adjusting deferred tax expenses.

Income tax expenses of the Group for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge for the year	256,061,612	332,393,164	-	63,885,241
Adjustment in respect of current income tax of previous year	(631,826)	152,168	(832,093)	(695,233)
Deferred tax:				
Relating to origination and reversal of temporary differences	7,062	12,265,656	30,130,787	16,918,246
Income tax expense reported in the statement of comprehensive income	255,436,848	344,810,988	29,298,694	80,108,254

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: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Gains (losses) on investments in equity designated at fair value through other comprehensive income	417,396,456	(23,978,619)	418,617,906	(24,281,070)
Unrealised gains (losses) on investments in loans	199,068	(743,391)	199,068	(743,391)
Actuarial gains (losses)	(2,547,721)	8,410,933	(3,363,140)	4,794,558
Gains (losses) on investments in equity designated at fair value through other comprehensive income of an associate	8,731,324	(12,910,167)	-	-
Unrealised gains on investments in loans of an associate	4,227,729	3,158,706	-	-

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Translation adjustment of an associate	2,725,747	9,600,407	-	-
Actuarial gains (losses) of an associate	(618,724)	796,136	-	-
Income tax expense reported in the statement of other comprehensive income	430,113,879	(15,665,995)	415,453,834	(20,229,903)

Reconciliations between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit before corporate income tax	447,204,942	3,136,660,177	646,013,944	4,146,706,608
Applicable tax rates	0 - 20%	0 - 20%	20%	20%
Accounting profit before income tax multiplied by tax rates	89,440,988	627,332,035	129,202,789	829,341,322
Adjustment in respect of current income tax of previous year	(631,826)	152,168	(832,093)	(695,233)
Effects of non-deductible expenses, additional capital expenditure deductions allowed and income exempted from income tax	166,627,686	(282,673,215)	(99,072,002)	(748,537,835)
Income tax expenses reported in the statement of comprehensive income	255,436,848	344,810,988	29,298,694	80,108,254

The details of deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets				
Allowance for impairment of assets	22,402,817	25,570,045	-	-
Provision for long-term employee benefits	47,152,222	42,601,849	13,209,685	12,052,142
Actuarial losses	17,823,900	20,371,622	10,631,476	13,994,616
Actuarial losses of associates	509,270	1,127,994	-	-
Finance lease agreement	541,900,075	534,365,440	541,900,075	534,365,440
Timing differences of accounting and taxable income recognition	147,876,191	117,324,854	-	-
Tax loss carry forward	3,826,633	-	-	-
	<u>781,491,108</u>	<u>741,361,804</u>	<u>565,741,236</u>	<u>560,412,198</u>
Deferred tax liabilities				
Timing differences of depreciation of buildings	16,686,923	16,437,234	-	-
Costs of business acquired - a subsidiary	84,115,062	84,115,062	-	-
Gains on investments in equity designated at fair value through other comprehensive income	562,696,991	980,093,447	562,696,991	981,314,897
Unrealised losses for investments in loans	(357,965)	(158,896)	(357,964)	(158,896)
Losses on interest income under effective interest method	(725,473)	(728,950)	(725,473)	(728,950)
Timing differences of accounting and taxable income recognition	32,214,165	-	38,819,488	-
Unrealised gains for investments in loans of an associate	-	4,227,729	-	-
Gains (losses) on investments in equity designated at fair value through other comprehensive income of an associate	(4,251,600)	8,773,171	-	-
Translation adjustment of an associate	41,847	(1,525,853)	-	-
Share of profit from investments in associates	217,409,063	263,586,857	-	-
	<u>907,829,013</u>	<u>1,354,819,801</u>	<u>600,433,042</u>	<u>980,427,051</u>

As at 31 December 2020, the Group has unused tax losses totaling Baht 1,271 million, on which deferred tax assets have not been recognised as the Group believes that future taxable profits may not be sufficient to allow utilisation of the tax losses before expiry date. And such unused tax losses will be expired by 2024.

46. Earnings per share

Basic earnings per share is calculated by dividing net income attribute to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year as held by third parties.

Diluted earnings per share is calculated by dividing net income attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place at the date the potential ordinary shares were issued.

The weighted average number of ordinary shares for the years ended 31 December 2020 and 2019 are as follows:

	Consolidated financial statements		(Unit: Shares)	
			Separate financial statements	
	2020	2019	2020	2019
Ordinary shares issued and paid-up	1,694,923,000	1,694,923,000	1,694,923,000	1,694,923,000
Less: Treasury stock held by a subsidiaries	(372,040,750)	(372,040,750)	-	-
Weighted average number of shares held by third parties	1,322,882,250	1,322,882,250	1,694,923,000	1,694,923,000
Add: Warrants allocated to existing shareholders	5,634,342	-	5,634,342	-
Weighted average number of ordinary shares for diluted earnings per share	1,328,516,592	1,322,882,250	1,700,557,342	1,694,923,000
Profit for the year (Baht)	149,187,843	2,799,512,311	616,715,250	4,066,598,354
Earnings per share (Baht/share)	0.11	2.12	0.36	2.40
Diluted earnings per share (Baht/share)	0.11	-	0.36	-

47. Net movements in operating assets and liabilities

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
(Increase) decrease in operating assets				
Trade and other receivables	(383,956,423)	(70,036,026)	(265,437,078)	(22,173,078)
Loans to customers	(584,937,703)	(2,679,988,732)	-	-
Prepaid of land rental	-	(517,470,120)	-	(517,470,120)
Inventories	(160,820,885)	(222,793,795)	4,028,009	19,073
Other current assets	229,795,033	(5,228)	(24,681,388)	(239,015)
Restricted fixed deposits	(26,027)	3,022,564	-	-
Other non-current assets	(253,422,484)	3,959	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(124,678,853)	(110,351,481)	(112,153,071)	(76,672,401)
Other current liabilities	129,598,852	136,491,282	(24,427)	5,986,633
Cash receipts (refund) of advance rental and services deposits	(323,429,284)	(299,442,296)	(330,993,564)	(317,544,754)
Deposits (refund) of deposits received	(343,420,848)	216,948,111	(315,326,526)	2,098,909
Other non-current liabilities	2,044,206	13,695,960	(8,104,786)	781,563
Net movements in operating assets and liabilities	(1,813,254,416)	(3,529,925,802)	(1,052,692,831)	(925,213,190)

48. 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. The chief operating decision maker has been identified as the Company's Board of Directors.

For management purposes, the Group is organised into business units based on its products and services and have eight reportable segments as follows:

1. Shopping center business engages in the business of rental space to retail tenants in the shopping centers and the business of office space for rent.
2. Hotel and tourism business engages in providing for lodging, food and drink, and other facilities and services related for accommodation and travel.
3. Golf business engages in golf services, clubhouse and selling golf equipment.

4. Real estate business engages in residential for sale, property management and asset appraisal.
5. Food solution business engages in producing and selling rice for both local and export markets, the food center business and restaurant.
6. Financial business engages in providing general loan for housing and bridge loan of which the security is marketable property in good location, motorcycle hire purchase business and provision of life assurance business.*
7. Other business engages in the business of car and motorcycle auction, and sale of raw water.
8. Corporate supporting center performs as a back office functions for the Group.

* The Company that engages in such business is classified as an associate therefore the recognition of operating results is in the form of profit sharing.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group financing activities including finance costs, finance income and income taxes are managed on a Group basis and are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

(Unit: Thousand Baht)

[illegible]

For the year ended 31 December 2019

	Shopping center	Hotel and tourism	Golf	Real estate	Food solution	Financial	Other	Supporting	Elimination of inter-segment revenues	Total
Revenue from external customers	3,884,926	1,319,882	480,009	316,646	1,965,135	2,298,772	15,449	5,801	-	10,286,620
Inter-segment revenues	231,420	339,774	11,634	45,116	8,248	1,679	-	33,325	(671,196)	-
Total revenues	4,116,346	1,659,656	491,643	361,762	1,973,383	2,300,451	15,449	39,126	(671,196)	10,286,620
Segment operating profit (loss)	747,883	62,904	74,096	(44,278)	(33,045)	701,162	7,288	3,916	-	1,519,926
Share of profit (loss) from investments in associates and joint venture	507,237	282,552	2,263	-	-	(74,792)	52,141	-	-	769,401
Unallocated income and expenses:										
Interest income										10,147
Dividend income										971,691
Gain on sales of investments										38,218
Other income										173,605
Finance costs										(346,328)
Income tax expenses										(344,811)
Loss for the year for non-controlling interests of the subsidiaries										7,663
Profit attributable to equity holder of the Company										2,799,512
									(Unit: Thousand Baht)	
	Shopping center	Hotel and tourism	Golf	Real estate	Food solution	Financial	Other	Supporting	Unallocated assets	Total
Segment assets										
As at 31 December 2020	14,384,927	2,298,645	4,625,601	3,039,070	816,923	15,936,400	156,593	7,284	15,876,817	57,142,260
As at 31 December 2019	8,455,250	2,543,987	4,639,724	2,452,900	861,080	15,746,054	86,196	981	17,656,881	52,443,053

Geographic information

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

	(Unit: Million Baht)	
	2020	2019
Revenue from external customers		
Thailand	8,278	9,944
United States/Canada	75	33
Europe	172	116
Asia Pacific	110	194
Total	8,635	10,287

Major customers

For the year 2020 and 2019, the Group has no major customer.

49. Commitments and contingent liabilities

49.1 Capital commitments

As at 31 December 2020 and 2019, the Group has the capital commitments of construction for shopping center, hotel and tourism, golf, real estate, food solution and other relating to each segment as follows:

	(Unit: Million Baht)	
	2020	2019
Shopping center business	313	31
Hotel and tourism business	28	29
Golf business	18	21
Real estate business	62	446
Food solution business	7	2
Total	428	529

49.2 Operating lease commitments and service agreement

As at 31 December 2020 and 2019, the Group has future minimum payments required under these non-cancellable operating lease agreement and service agreement are as follows:

	(Unit: Million Baht)	
	2020	2019
Payable within:		
Less than 1 year	143	155
1 to 5 years	109	162
More than 5 years	108	377
Total	360	694

In addition, as at 31 December 2019, the Company has future minimum lease payments under the agreement granting the right to utilise the shopping center at the Pathumwan intersection for the portion of land lease which is classified as operating lease (as mentioned in Note 32.1 (b)) to consolidated financial statement as follows:

	(Unit: Million Baht)
	2019
Payable within:	
Less than 1 year	549
1 to 5 years	3,278
More than 5 years	6,531
Total	10,358

As at 31 December 2020, the Group had no obligations under land lease agreements 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 at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, as described in Note 4 to the consolidated financial statement.

49.3 Guarantees

As at 31 December 2020, there are outstanding bank guarantees of approximately Baht 257 million (2019: Baht 274 million) issued by the banks on behalf of the Group as required in the normal course of business.

49.4 Commitment to provide services to golf members

A subsidiary has a commitment to provide services to golf members, which were transferred from the previous owner with the golf course at the acquisition date. The details of membership contracts are as follows:

	Number of contracts	Membership fee range (Baht per contract)
Permanent contracts	263	200,000 - 630,000

Under the terms and conditions of membership contracts, the subsidiary will not receive any additional membership fee and green fee from all transferred permanent members until the periods of such contracts have been expired. At the acquisition date, the subsidiary could not estimate the present value of all relevant costs that may occur from providing services to those permanent members. However, such costs were considered to reduce projected net cash flow in the future that reflects in the fair value at the acquisition date, and to determine the current range of rental fee of the golf course.

49.5 Litigation

As at 31 December 2020, the subsidiaries have legal cases claimed which have yet to be finalised the details of litigations are as follows:

49.5.1 A subsidiary has legal case claimed for damages of approximately Baht 30.3 million related to the hiring contracts with contractor. The case is under the court proceeding and the subsidiary submitted testimony and had filed a counterclaim in the case by claiming damages of approximately Baht 44.3 million. On 21 December 2020, the court sentenced the defendant to make payment by Baht 0.6 million and dismiss the counterclaim. The case is now in the process of extend the appeal period. The Group management believes that the outcome of the case will has no significant impact to the Group's financial position.

49.5.2 A subsidiary has legal case claimed for damages of approximately Baht 17.4 million. However, payment of compensation was made to the Bank that issued a letter of guarantee on behalf of the subsidiary in the amount of Baht 8.7 million and the subsidiary has already set aside a reserve of Baht 8.7 million for the contingent loss in the financial statements. The Group's management believes that the amount of provision is adequate.

50. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured 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	
Financial assets measured at fair value				
Other non-current financial assets				
Investment in equity instrument - related companies	4,599	-	-	4,599
Investment in debt instrument - related company				
Investment in related company	-	-	3	3
Investment in other companies	-	-	20	20
Investment in loan	-	-	12	12
Interest rate swap agreement (Note 51.1)	-	76	-	76
Assets for which fair value are disclosed				
Investment properties (Note 20)	-	-	21,165	21,165
Liabilities measured at fair value				
Debentures - only the interest portion applying				
hedge accounting	-	76	-	76
Liabilities for which fair value are disclosed				
Long-term debentures	-	16,596	-	16,596

(Unit: Million Baht)

Consolidated Financial Statements				
31 December 2019				
Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value				
Available-for-sale securities				
Equity securities	1,897	-	-	1,897
Other long-term investments				
Equity securities	7,151	-	7	7,158
Assets for which fair value are disclosed				
Investment properties	-	-	12,691	12,691
Liabilities for which fair value are disclosed				
Debentures	-	16,976	-	16,976
Derivatives				
Forward exchange contracts	25	-	-	25
Interest rate swap agreement	75	-	-	75

(Unit: Million Baht)

Separate Financial Statements				
31 December 2020				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current financial assets				
Investment in equity instrument - related company	4,482	-	-	4,482
Investment in debt instrument - related company	-	-	3	3
Investment in loan	-	-	12	12
Interest rate swap agreement (Note 51.1)	-	76	-	76
Assets for which fair value are disclosed				
Investment properties (Note 20)	-	-	15,900	15,900
Liabilities measured at fair value				
Debentures - only the interest portion applying				
hedge accounting	-	76	-	76
Liabilities for which fair value are disclosed				
Long-term debentures	-	16,596	-	16,596

(Unit: Million Baht)

Separate Financial Statements				
31 December 2019				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale securities				
Equity securities	1,880	-	-	1,880
Other long-term investments				
Equity securities	6,950	-	3	6,953
Assets for which fair value are disclosed				
Investment properties	-	-	7,303	7,303
Liabilities for which fair value are disclosed				
Debentures	-	16,976	-	16,976
Derivatives				
Interest rate swap agreement	75	-	-	75

During the current year, there was no transfer within the fair value hierarchy.

51. Financial instruments

51.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange forward contracts	150	-	-	-
Derivative assets designated as hedging instruments				
Interest rate swap agreement	76,258	-	76,258	-
Total derivative assets	76,408	-	76,258	-

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally matured within one year.

As at 31 December 2020			
Foreign currency	Sold amount (Unit)	Contractual exchange rate (Baht per 1 foreign currency unit)	Maturity date
USD	938,945	29.860 - 31.600	19 January 2021 - 21 June 2021
As at 31 December 2019			
Foreign currency	Sold amount (Unit)	Contractual exchange rate (Baht per 1 foreign currency unit)	Maturity date
USD	825,327	29.950 - 30.360	13 January 2020 - 8 May 2020

Derivatives designated as hedging instruments

Fair value hedge

As at 31 December 2020, the Group had an interest rate swap agreement with a notional amount of Baht 1,000 million (2019: Baht 1,000 million) whereby receiving interest at a fixed rate of interest of 5.10 percent per annum and pays interest at a variable rate equal to MLR less margin percent per annum on the notional amount. The swap is being used to hedge the exposure of change in the fair value of its fixed rate debenture.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in timing of cash flows of the hedged item and hedging instrument
- Differences in how the counterparties' credit risk impacts the fair value movements of the hedging instrument and hedged item

The impact of the hedging instruments on the statement of financial position as at 31 December 2020 is, as follows:

	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness
	(Thousand Baht)	(Thousand Baht)		(Thousand Baht)
Interest rate swap			Other non-current	
agreement	1,000,000	73,229	financial liabilities	691

The impact of the hedged items on the statement of financial position as at 31 December 2020 is, as follows:

				(Unit: Thousand Baht)
	Carrying amount	Accumulated fair value adjustments	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness
Fixed-rate debentures	1,573,229	73,229	Long-term debentures	691

The ineffectiveness recognised in profit or loss was immaterial.

51.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans to customers, investments, loans from and debentures. 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 cash at banks and financial institutions, trade and other receivables, loans to customer and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

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 trade 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.

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 geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance. Letters of credit and other forms of credit insurance are considered an

integral part of trade receivables and taken into account in the calculation of impairment. 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.

Loans to customer

The Group is exposed to credit risk primarily with respect to hire-purchase and loan receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various types. The Group's maximum exposure relating to loans to customer is shown gross carrying amounts stated in the financial statements.

Credit risk management policy

The Group manages its credit risk starting with the credit approval process by performing risk analysis, debt payment ability analysis and monitoring the status of debtors. This is to examine and review credit quality in order to prevent and resolve loans that may be a problem in the future.

The maximum exposure to credit risk

The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements. The maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit losses.

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

Explanation of 12-months expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses-credit impaired are included in Note 5.22 to consolidated financial statements.

Amount of credit quality of financial assets is their gross carrying balance (before deduction of allowance for expected credit loss) which presented in Note 12 to consolidated financial statements.

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Group for each type of financial assets are as follows:

(Unit: Million Baht)		
Consolidated financial statements		
Exposure to credit risk		
with collateral		
	31 December 2020	Type of major collateral
Loans to customers	8,881	Land, Properties and Buildings
Hire purchase receivables	7,380	Motorcycle

Market risk

There are 2 types of market risk comprising foreign currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- foreign exchange forward contracts to hedge the foreign currency risk arising on the export or import of goods;
- interest rate swaps to mitigate the risk of rising interest rates.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currency are summarised below.

	Currency	Financial assets	Average exchange rate
		as at 31 December 2020	as at 31 December 2020
		(Unit)	(Baht per 1 foreign currency unit)
Trade receivables	USD	117,363	29.775
Investment in associate (foreign country)	USD	70,000	29.775

	Currency	Financial assets as at 31 December 2019 (Unit)	Average exchange rate as at 31 December 2019 (Baht per 1 foreign currency unit)
Trade receivables	USD	753,447	29.886
Investment in associate (foreign country)	USD	13,475,000	29.886

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Risk of interest rates of the Group is low risk.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate.

(Unit: Million Baht)

Consolidated financial statements							
31 December 2020							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		
Financial assets							
Cash equivalents (excluding cash)	-	-	-	3,835	-	3,835	0.07 - 2.00
Fixed accounts	3	-	-	-	-	3	0.20 - 2.50
Trade and other receivables	-	-	-	-	931	931	-
Hire purchase receivables	3,170	3,529	2	-	-	6,701	5.99 - 27.60
Short-term loans to related companies	-	-	-	55	-	55	5.12 - 5.59
Loans and installment receivables	196	6,901	-	1,714	-	8,811	4.00 - 15.00
	<u>3,369</u>	<u>10,430</u>	<u>2</u>	<u>5,604</u>	<u>931</u>	<u>20,336</u>	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	768	-	-	-	-	768	1.08 - 5.85
Trade and other payables	-	-	-	-	1,080	1,080	-
Long-term loan from financial institution	-	-	-	2,386	-	2,386	3.20 - 3.31
Long-term debentures	-	3,198	12,564	-	-	15,762	1.96 - 5.10
Lease liabilities	258	2,433	9,471	-	-	12,162	5.12
	<u>1,026</u>	<u>5,631</u>	<u>22,035</u>	<u>2,386</u>	<u>1,080</u>	<u>32,158</u>	

(Unit: Million Baht)

Consolidated financial statements							
31 December 2019							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over	5 years	interest	Non-interest		
	1 year			rate	bearing		
Financial assets							
Cash equivalents (excluding cash)	-	-	-	777	-	777	0.13 - 2.25
Bank and fixed accounts	1	-	-	-	-	1	0.90 - 2.00
Trade and other receivables	-	-	-	-	1,081	1,081	-
Hire purchase receivables	3,247	4,039	1	-	-	7,287	12.00 - 27.60
Short-term loans to related companies	-	-	-	57	-	57	4.95 - 6.65
Loans and installment receivables	296	6,217	-	1,719	-	8,232	6.00 - 12.00
	<u>3,544</u>	<u>10,256</u>	<u>1</u>	<u>2,553</u>	<u>1,081</u>	<u>17,435</u>	
Financial liabilities							
Bank overdrafts and short-term loans from financial institutions	687	-	-	-	-	687	1.68 - 6.75
Trade and other payables	-	-	-	-	1,584	1,584	-
Long-term loan from financial institution	-	-	-	200	-	200	3.31
Long-term debentures	3,999	2,898	8,993	-	-	15,890	2.68 - 5.10
Long-term liabilities under financial lease agreements	105	1,045	3,718	-	-	4,868	6.00
	<u>4,791</u>	<u>3,943</u>	<u>12,711</u>	<u>200</u>	<u>1,584</u>	<u>23,229</u>	

(Unit: Million Baht)

Separate financial statements							
31 December 2020							
	Fixed interest rates			Floating		Total	Interest rate (% p.a.)
	Within	Over	5 years	interest	Non-interest		
	1 year			Rate	bearing		
Financial assets							
Cash equivalents (excluding cash)	-	-	-	3,237	-	3,237	0.07 - 2.00
Trade and other receivables	-	-	-	-	399	399	-
Short-term loans to related companies	-	-	-	7,162	-	7,162	4.70 - 6.65
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,399</u>	<u>399</u>	<u>10,798</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	392	392	-
Short-term loans from related companies	-	-	-	7,933	-	7,933	1.65 - 4.70
Long-term debentures	-	3,198	12,564	-	-	15,762	1.96 - 5.10
Lease liabilities	206	2,379	9,214	-	-	11,799	5.12
	<u>206</u>	<u>5,577</u>	<u>21,778</u>	<u>7,933</u>	<u>392</u>	<u>35,886</u>	

(Unit: Million Baht)

Separate financial statements						
31 December 2019						
Fixed interest rates			Floating	Non-interest		Interest rate (% p.a.)
Within	Over		interest			
1 year	1 - 5 years	5 years	Rate	bearing	Total	
Financial assets						
Cash equivalents (excluding cash)	-	-	-	163	-	163 0.13 - 2.25
Trade and other receivables	-	-	-	-	194	194 -
Short-term loans to related companies	-	-	-	9,735	-	9,735 4.70 - 6.65
	-	-	-	9,898	194	10,092
Financial liabilities						
Trade and other payables	-	-	-	-	778	778 -
Short-term loans from related companies	-	-	-	8,226	-	8,226 1.65 - 4.70
Long-term debentures	3,999	2,898	8,993	-	-	15,890 2.68 - 5.10
Long-term liabilities under financial lease agreements	105	1,045	3,718	-	-	4,868 6.00
	4,104	3,943	12,711	8,226	778	29,762

Liquidity risk

Liquidity risk is the risk that the Group will be unable to liquidate their financial assets and procure sufficient funds to discharge their obligations in a timely manner, resulting in the incurrence of a financial loss.

The Group manages liquidity risk by means of appropriate structuring of short-term and long-term sources of capital to maintain liquidity to ensure that it has sufficient liquidity to meet both present and future requirements.

Counting from the statement of financial position date, the periods to maturity of financial instruments held as at 31 December 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statement				
	At call	Less than 1 year	1 - 5 years	Over 5 years	Total
Financial liabilities					
Bank overdraft and short-term					
loans from financial institutions	130,000	638,003	-	-	768,003
Trade and other payables	-	1,079,610	-	-	1,079,610
Long-term loans from financial					
institutions	-	469,105	2,170,421	-	2,639,526
Long-term debentures	-	577	5,102	13,956	19,635
Lease liabilities	-	892,879	4,689,938	11,418,907	17,001,724
Total	130,000	3,080,174	6,865,461	11,432,863	21,508,498

(Unit: Thousand Baht)

	Separate financial statement				
	At call	Less than 1 year	1 - 5 years	Over 5 years	Total
Financial liabilities					
Trade and other payables	-	392,029	-	-	392,029
Short-term loans from related companies	-	7,933,381	-	-	7,933,381
Long-term debentures	-	577	5,102	13,956	19,635
Lease liabilities	-	824,255	4,578,257	11,069,675	16,472,187
Total	-	9,150,242	4,583,359	11,083,631	24,817,232

51.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. Fair value of debenture was described in Note 50 to the consolidated financial statement.

The fair value of long-term debentures is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association.

52. Dividends

	Approved by	Total dividend (Million Baht)	Dividend (Baht per share)	Dividend payment date
Interim dividends on the six-month period ended 31 December 2019	Meeting of the Board of Directors on 1 April 2020 and reported for acknowledgement during Annual General Meeting of the shareholders on 5 August 2020	712	0.42	30 April 2020
Final dividends on the six-month period ended 31 December 2018	Annual General Meeting of the shareholders on 29 April 2019	644	0.38	13 May 2019
Interim dividends on the six-month period ended 30 June 2019	Meeting of Board of Directors on 4 September 2019	644	0.38	3 October 2019
Total		1,288		

53. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's Debt to Equity Ratio was 1.66:1 (2019: 1.12:1) and the Company's was 2.24:1 (2019: 1.67:1).

54. Events after the reporting period

During 8-14 January 2021, 3,937,821 units of MBK-W1 warrant were exercised and during 8-14 February 2021, 1,559,986 units of MBK-W1 warrant were exercised.

On 13 January 2021, the Meeting of the Board of Directors of the Company No.1/2021 passed a resolution granting approval for MBK Shopping Center Company Limited, a subsidiary, to acquired 120,000 ordinary shares of Bangkok-Tokyu Department Store Company Limited, representing a 100.00 percent of its registered capital, from the existing shareholder, Tokyu Department Store Co., Ltd. on 1 February 2021 at totaling amounts not exceed Baht 60 million. As a result, this company has been indirectly owned by the Group as a subsidiary. Also, the subsidiary registered with the Ministry of Commerce for the change of its name to "Q Mall Company Limited" to comply with its operation.

MBK Business Company Limited

On 18 February 2021, the Meeting of the Board of Directors No.2/2021 of MBK Business Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 570 million to Baht 240 million (33 million preferred shares with par value of Baht 100 per share totaling Baht 330 million). The subsidiary is in the process of capital reduction. The decrease of capital has not affected to the Company's shareholding percentage in that company.

MBK Service Solution Company Limited

On 18 February 2021, the Meeting of the Board of Directors No.2/2021 of MBK Service Solution Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 150 million to Baht 37.5 million (1.13 million ordinary shares with par value of Baht 100 per share totaling Baht 113 million). The subsidiary is in the process of capital reduction. The decrease of capital has not affected to the Group's shareholding percentage in that company.

MBK Leisure Company Limited

On 18 February 2021, the Meeting of the Board of Directors No.2/2021 of MBK Leisure Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 150 million to Baht 37.5 million (1.13 million preferred shares with par value of Baht 100 per share totaling Baht 112.5 million). The subsidiary is in the process of capital reduction. The decrease of capital has not affected to the Company's shareholding percentage in that company.

MBK Residence Company Limited

On 18 February 2021, the Meeting of the Board of Directors No.2/2021 of MBK Residence Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 420 million to Baht 105 million (3.15 million preferred shares with par value of Baht 100 per share totaling Baht 315 million). The subsidiary is in the process of capital reduction. The decrease of capital has not affected to the Company's shareholding percentage in that company.

MBK Enterprise Company Limited

On 18 February 2021, the Meeting of the Board of Directors No.2/2021 of MBK Enterprise Company Limited (subsidiary) passed a resolution granting approval to decrease the registered share capital from Baht 3,000 million to Baht 2,454 million (5.46 million preferred shares with par value of Baht 100 per share totaling Baht 546 million). The subsidiary is in the process of capital reduction. The decrease of capital has not affected to the Company's shareholding percentage in that company.

55. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 25 February 2021.

GENERAL INFORMATION AND OTHER IMPORTANT DATA

Company Name		MBK Public Company Limited
Symbol		MBK
Core Business		Shopping Center and Real Estate
Company Location		444, 8 th Floor, MBK Center Building, Phayathai Road, Wang Mai, Pathumwan, Bangkok 10300
Registration Number		No. 0107537001102
Registered Capital		THB 2,262,719,920
Paid-up Capital		THB 1,694,923,000
Type of Share		Ordinary Share
Number of Paid-up Shares		1,694,923,000 Shares
Par value		THB 1.00 Per Share
Telephone		0-2853-9000
Fax.		0-2853-7000
Website		www.mbkgroup.co.th
Thailand Securities Depository Company Limited		Thailand Securities Depository Company Limited
Location		93, 14 th Floor, Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone		0-2009-9999
E-mail		SETContact@set.or.th
Website		http://www.set.or.th/tsd

Reference Persons

Debenture Registrar

Bank of Ayudhya Public Company Limited

Location	1222, AA Floor, Rama 3 Road, Bangphongphang, Yan Nawa, Bangkok 10120
Telephone	0-2296-5695, 0-2296-2796
Fax.	0-2683-1302
Website	www.krungsri.com

Debenture Registrar

CIMB Thai Bank Public Company Limited

Location	44 Langsuan Road, Lumpini, Pathumwan, Bangkok 10330
Telephone	0-2626-7506, 0-2626-7511
Fax.	0-2626-7543
Website	www.cimbthai.com

Auditor	Ms. Gingkarn Atsawarangsalit Mr. Chayapol Suppasdtanon Ms. Orawan Techawatanasirikul Ms. Sumana Punpongsanon	CPA Registration No. 4496 and/or CPA Registration No. 3972 and/or CPA Registration No. 4807 and/or CPA Registration No. 5872
Location	EY Office Limited 193/136-137, 33 rd Floor, Lake Rajada Office Complex Rajadapisek Road, Klongtoey, Bangkok 10110	
Telephone	0-2264-9090	
Fax.	0-2264-0789-90	

DISCLOSURE OF INFORMATION IN ANNUAL REPORT ACCORDING TO FORM 56-2

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Investor may additionally obtain the information of the issuing company from its annual filing (Form 56-1) showing in www.set.or.th or in the website of MBK Public Company Limited www.mbkgroup.co.th



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